

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

25th July 2013

Dear Sirs,

Putú Update: SAIS Trial Production of Iron Sands Concentrates

Highlights

- **Trial production underway at SAIS Putú concessions, Chile.**
- **% Yield of iron concentrates has exceeded our expectations.**
- **Iron sands concentrates are being sent to China for further testing and smelting.**

South American Iron & Steel Corporation Limited (“SAIS”) is pleased to announce that trial production of iron sands concentrates are underway at our Putú concessions.

The Putú concessions occupy a region some 40km long averaging 5km wide just north of the town of Constitucion in Chile. These are conventional iron sands which host a large “Inferred” resource. Analysis of the airborne magnetic data collected in early 2010 has revealed three zones that contain an “inferred” resource of 200 million tonnes of higher grade sands (%Fe 58.3, %TiO₂ 11.21, %V₂O₅ 0.53 and %SiO₂ 2.46) - see announcement of 19th October 2011.

This estimate has been derived from the areal extent of the magnetic anomalies and the anticipated depth extent based on previous exploration work within the region of interest. Adding to this is the analysis of bulk samples which show increased % yields with higher Fe grades when compared to the average across the Putú project area (see announcement 30th November 2009 and 19th October 2011).

The percent yield from the trial production has exceeded our expectations; the expected yield was thought to be between 10% and 12%, but yields of up to 16% have been measured during the initial trials, these results that are very encouraging. The iron sands concentrates produced at Putú are being sent to China for further testing and smelting.



Operation Site Overview



Loading sand onto conveyor belt



Excavation of Old Dunes



Magnetic Separation



Concentrate Slurry



Concentrate Sink



Recycle Water into contained pool



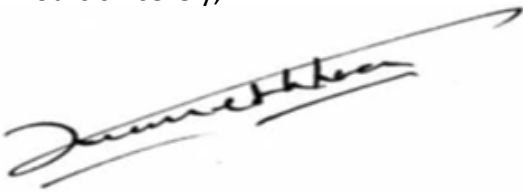
Tailings being pumped out into tailing pond for recycling of water



Water supply and recycling system

Geological surveys are also in progress on the more prospective sections of our Putú concessions to identify additional areas where SAIS will focus the trial beneficiation of the iron sands deposit.

Yours sincerely,



Kenneth Lee
CEO

The above information that relates to exploration results and mineral resources are based on information compiled by Dr Richard Haren who is a corporate Member of The Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Richard Haren is a self-employed consultant who is retained by SAY as Non-Executive Director; he has consented to the inclusion of the above based on his information in the form and context in which it appears

About South American Iron & Steel Corporation Limited

SAY holds a number of mineral concessions in Chile, South America that host iron sands, has a 10% interest in the Quince concessions. In addition, SAY has a 15% interest in Ample Success Investment Limited that holds a 75% interest in a mineral Concession in Weishan County, Yunnan, China