

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

6th December 2012

Dear Sirs,

Beneficiation Tests Prove SAIS has Commercially Viable Project

Directors are pleased to announce that beneficiation test results of bulk samples collected by Qingzhou Yongsheng Sand Mining Co. Ltd ("Quingzhou") in October 2012 at the Trinchera Prospect within the Putú Project on the west coast of Chile have now been received.

Magnetic concentrate yields ranged between 11.3% and 22.4% after the samples were washed, then magnetically separated, dried and then given a light grind and magnetically separated post grinding.

Various samples were ground to 100% passing 60 mesh and 100% passing 80 mesh. Iron (Fe) grades ranged between 41.44% and 55.29% with corresponding titanium (Ti) grades ranging between 6.87% and 10.53%. Sulphur (S) and phosphorous (P) grades were both low, with S ranging between 0.006% and 0.008% and P ranging between 0.076% and 0.097%.

Four samples were processed but one of them was handpicked from a very dense black horizon at Putú (effectively a naturally occurring concentrate band, see photo). This sample (Sample 4) produced a 71% yield after processing and grinding to 100% passing 60 mesh the Fe grade was recorded at 57.41%, Ti grade was 10.42% with low sulphur and phosphorous. All of the results are shown in the table below:

Sample Number	Grind size	Final yield after grinding	Assay results from Weifang Central Assaying Laboratory
1	80 mesh	11.3%	Fe: 41.44% Ti: 6.87% S: 0.006% P: 0.076%
2	60 mesh	22.4%	Fe: 55.29% Ti: 10.53% S: 0.008% P: 0.097%
3	80 mesh	12.6%	Fe: 45.85% Ti: 8.13% S: 0.009% P: 0.092%
4	60 mesh	71%	Fe: 57.41% Ti: 10.42% S: 0.011% P: 0.094%



Typical Bulk Sample with magnet held on vertical iron sand strata



Sample 4 – Handpicked Sample from a dense black band Trinchera

According to Qingzhou management, the results of the bulk testing were very encouraging, showing that a commercially viable product will be able to be produced from the Putú Project at Trinchera.

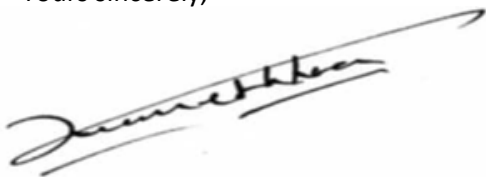
Qingzhou is the largest and leading mineral sands mining equipment manufacturers and mining contractors in China. Its customers are from countries including Germany, Russia, India, Saudi Arabia, Indonesia, the Philippines, Korea and Argentina.

Since Qingzhou return from its trip to our Putú concessions, Qingzhou has been designing and modifying plant, machinery and equipment appropriate and suitable for the production of iron sands concentrates in readiness to ship to our Putú concessions to commence production.

CEO of SAIS, Kenneth Lee said: "The grade of iron within the concentrates formed on processing and beneficiation are of commercial interest to a number of groups negotiating off take agreements with SAIS at Putú. Sample 4 was of great interest showing a high grade of iron and a large yield suggesting that the sample was taken from a naturally occurring concentrate band within the project area." (See photograph).

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 SAIS 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.

Yours sincerely,



Kenneth Lee
CEO

About South American Iron & Steel Corporation Limited

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