

Manager of Company Announcements
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

9th October 2012

Dear Sirs,

Clarification of statement in Annual Report

The Company refers to page 7 of its Annual Report for the year ended 30th June 2012, under the heading: **"Putú Project (Iron sands, Chile)"**.

The Company writes to clarify the first paragraph under the heading **"Putú Project (Iron sands, Chile)"** and wish to restate that paragraph to:

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).

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).

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.

Yours faithfully,



Kenneth Lee
Company Secretary and 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. SAY currently manages the exploration on that Concession.