

30 April 2012

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

Dear Sirs

Report on Activities and Appendix 5B - March Quarter 2012

The Company provides the following report on activities for the three month period ended 31 March 2012.

Highlights

- Exploration work including drilling on the Yunnan Concession continued during the quarter.
- Detailed geological mapping reveals that zones hosting mineralization along the fault at Yunnan are associated with specific sedimentary boundaries that have been intensely altered and crushed.
- The Putu and Maullin Iron Sands Projects in Chile, South America have been the subject of numerous discussions with interested Parties wishing to assist SAY initiate beneficiation and export sales.
- Negotiations regarding Ecuador Concessions are continuing.

Exploration Activities

Drilling within the Yunnan Concession has continued throughout the quarter ended 30 March 2012. Early results of the drilling have been reported recently with some minor gold intersections being reported. Drilling was based on earlier geophysical data which showed much promise. It is now believed that the geophysical anomalies were caused by pyrite, not gold mineralization.

Further research has been initiated to determine whether specific sedimentary boundaries can be accurately mapped from the surface. It is now believed that gold mineralization is associated with a specific sedimentary horizon involving an altered margin. This sequence exists within the major north northeast trending fault zone and mapping is continuing.

SAY is in advanced discussions with a Chinese smelter owner who wishes to assist SAY in the development of the Putu and Maullin iron sands projects in Chile. The development of Putu and Maullin will depend on the outcome of an environmental impact assessment which at present is in the advanced planning stage.

The Company is still in negotiations with the Ecuadorian Government regarding the re-instatement of Mineral Concessions hosting titanium rich iron sands along the coast of Ecuador, the process would involve a Joint Venture.

Corporate

On 6th March 2012, Mr. Don Weintraub was appointed Non-Executive Director of the Company. His appointment is intended to further strengthen the executive team, which is now focusing on monetisation of its mining interests in Chile and China.

The Company is in the process of raising further equity capital.

Appendix 5B

The Company's Appendix 5B cash report is attached.

Yours faithfully,



Kenneth Lee

CEO

The information in this report that relates to exploration results and mineral resources is 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 in this report of the matters 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. SAY has a 15% interest in Ample Success Investment Limited that holds a 75% interest in a mineral Concession in Weishan County, Yunnan, China.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

South American Iron & Steel Corporation Limited

ABN

67 060 319 119

Quarter ended ("current quarter")

March 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(14)	(146)
	(b) development		
	(c) production		
	(d) administration	(100)	(495)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(112)	(636)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	(4)	(21)
	(b)equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (Purchase of Option)		
Net investing cash flows		(4)	(21)
1.13	Total operating and investing cash flows (carried forward)	(116)	(657)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(116)	(657)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	300	600
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	300	600
	Net (decrease)/increase in cash held	184	(57)
1.20	Cash at beginning of quarter/year to date	76	317
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	260	260

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	42
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Includes aggregate amounts paid to directors, including salaries, directors' fees and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	
4.3 Production	
4.4 Administration	150
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	26	15
5.2 Deposits at call	181	8
5.3 Bank overdraft		
5.4 Other – Fixed deposit held for bank guarantees	53	53
Total: cash at end of quarter (item 1.22)	260	76

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	257,785,604	257,785,604		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- (1)		- \$300,000 non-interest bearing note convertible at 8.1 cents per share; matures 28 July 2012	- \$300,000
7.7 Options <i>(description and conversion factor)</i>	Unquoted options		Exercise price	Expiry date
	6,000,000	-	\$0.12	19 October 2014
	6,000,000	-	\$0.18	19 October 2014
	6,666,666	-	\$0.10	5 July 2015
	6,666,667	-	\$0.15	5 July 2015
	6,666,667	-	\$0.20	5 July 2015
	650,000	-	\$0.15	23 September 2013
	2,000,000	-	\$0.20	14 December 2016
	2,000,000	-	\$0.25	14 December 2016
	2,000,000	-	\$0.30	14 December 2016
7.8 Issued during quarter				

+ See chapter 19 for defined terms.

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7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does ~~/does not~~* ([delete one](#)) give a true and fair view of the matters disclosed



Sign here: Date: 30th April 2012
(Company secretary)

Print name: Kenneth Lee

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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