

SAIS

SOUTH AMERICAN IRON & STEEL

Broker Presentation May - June 2009

Code ASX:SAY

Capital Structure & Ownership

Capital Structure

Shares quoted on the ASX	60,199,963
Placement May 2009	12,816,666
Shares subject to escrow	69,055,000
Total ordinary shares	142,071,629

Unquoted options	10,753,750
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Ownership

Investors	Description	Shares (M)	Percentage (%)
Franco Belli	Founder, Non-Exec Director	54.5	37.1
Twynam Investments	Investor	10.1	6.83
Gladden Trade SA	Founder	8.3	5.64
Tinkler Investments	Investor	4.4	2.99
Astron Limited	Investor Listed Company	3.9	2.63
Santelle Pty Ltd	Owner of Prior Structure	3.52	2.39
HSBC Custody Nominees	Investment Fund	3.42	2.32

The Board

Terry Cuthbertson

Chairman

- Former Partner Audit & Corporate Finance KPMG
- Bachelor of Business Degree
- Former Group Finance Director of Tech Pacific Holdings P/L (\$Au2 b)
- Extensive experience in M & A and Company Reconstruction

Dr Richard Haren

CEO & MD

- 25 years hands-on management of exploration and mining companies
- BSc in Physics (1st Class Hons.) & PhD in Geophysics (Univ. of NSW)
- Former Technical Director of numerous exploration companies
- Experienced in exploration & mining ventures outside Australia

Franco Belli

Non – Executive Director

- 20 years hands-on mining experience
- Mining analyst and stock broker
- Extensive background in South American resource sector

Kenneth Lee

Executive Director
CFO & Co. Sec.

- 25 years of experience including management and advising
- MBA and Chartered Accountant
- M & A and DD Specialist – corporate adviser
- Former Director Corporate Finance KPMG

Technical Advisors

Peter Hinner

Consulting
Metallurgist

- Leading Australian metallurgist
- Over 25 years operations & project development experience as a metallurgist and mining engineer in the resources sector working predominantly on gold & heavy minerals projects.
- Significant international project experience ranging from Africa through to Asia.
- Extensive knowledge of processing and dredging methods relevant to iron sands resources.
- Held senior operational roles with major companies such as Sierra Rutile, Consolidated Rutile, Tiwest and BP Minerals.

Neil Dawson

Consulting
Metallurgist

- Leading Australian metallurgist
- Over 36 years experience as a metallurgist in the mineral industry
- Formerly of Consolidated Rutile, King Island Scheelite, Queensland Titanium and his founding company Titanatek

John Barwis

Geologist

- PhD in Geology (coastal sedimentology), 24 years experience with Shell
- Former Director of Shell UK

Plus other well
qualified
consultants

Project Locations

Ecuador (in dispute – resolution with Government progressing)

- **Projects = 6**
- **Corporate Tax = 25%**
- **Royalties = 3-5%**
- **Average grade VHM ~50% Fe, 25% Ti, 0.5% V (inferred)**
Mompiche, Cojimies & LaTola ~ 750Mt 8.5-10% **VHM** (inferred)
- * valuable additional credits – Au, Pt, Ba & Zr

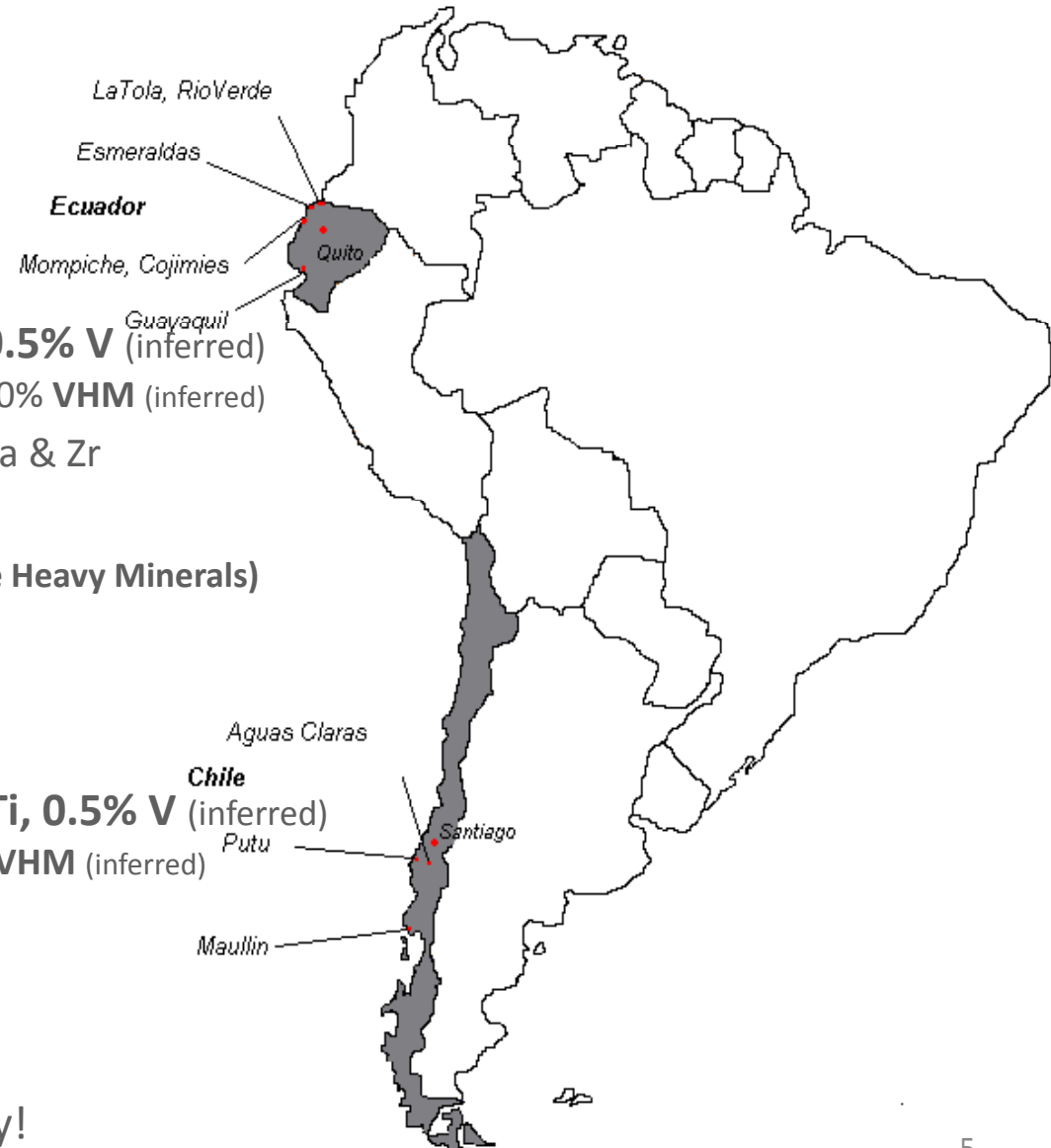
Chile

(VHM = Valuable Heavy Minerals)

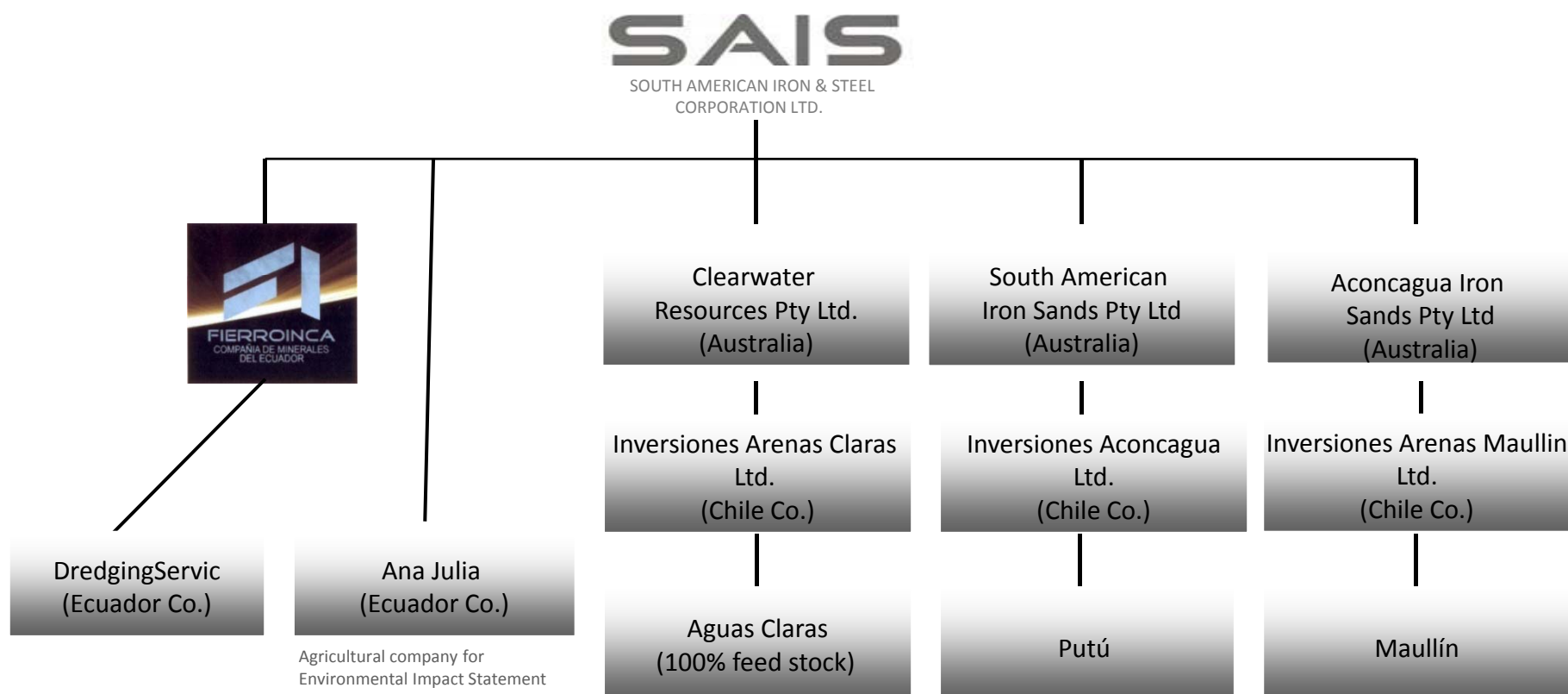
- **Projects = 3**
- **Corporate Tax = 17%**
- **Royalties = 4%**
- **Average grade VHM +55% Fe, 10-13% Ti, 0.5% V (inferred)**
Putu & Maullin more than 5.0Bt 9.0-10% **VHM** (inferred)

Testwork on Ores

- Outotec Report on Ecuador ore shows Ecuador ore produces commercial products – Chile is easy!



Structure



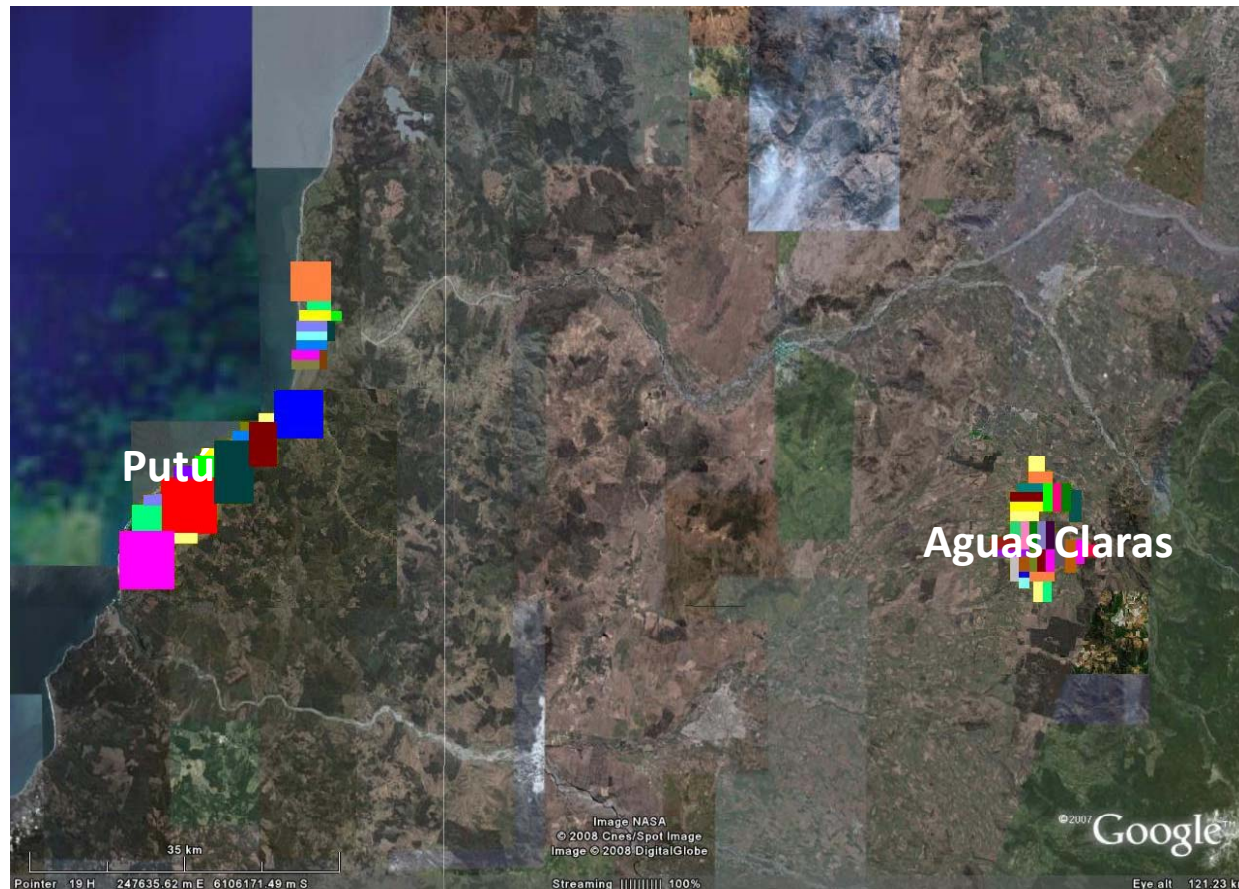
Note: On April 10th, 2008 an agreement was reached with Shoreline Minerals Pty Ltd for the staged sale Aguas Claras. Subject to the condition of the ASX release of 10 April, a 60% interest will be transferred to Shoreline following completion of the prescribed conditions, with the remaining 40% available for purchase at Shorelines option.



Chile Projects

Ecuador is in dispute, so
no information available
until resolved

Chile - Putú & Aguas Claras



Aguas Claras determined not strategic (distant from coastal project) and now subject to a sale contract to Shoreline

Chile - Aguas Claras

- 8,000 ha concession area
- Estimated 6,408 ha underlain by iron sands
- Mineralisation estimates applied to 1,800ha
- Subsurface control to 10m depth
- Postulated mineralisation to 30m depth
- Intensive drilling commencing June 2008



Chile - Aguas Claras Resources

RESOURCES BY DATA QUALITY

Classification	Unit	Tonnage [kt]	Fe [%]	Ti [%]
Measured	<i>Topsoil</i>	157,937	6.18	1.08
	<i>Upper</i>	929,370	3.65	0.85
	<i>Lower</i>	359,258	3.35	0.66
	<i>Clay layer</i>	26,300	3.61	0.62
Measured Subtotal		1,472,865	3.84	0.82
Indicated	<i>Topsoil</i>	30,305	6.20	1.10
	<i>Upper</i>	182,783	3.76	0.89
	<i>Lower</i>	102,197	2.95	0.67
	<i>Clay layer</i>			
Indicated Subtotal		315,285	3.75	0.84

Note: On April 10th, 2008 an agreement was reached with Shoreline Minerals Pty Ltd for the staged sale Aguas Claras. Subject to the condition ASX release of 10 April, a 60% interest will be transferred to Shoreline following completion of the prescribed condition, with the remaining 40% available for purchase at Shorelines discretion. (Shoreline announced Measured 1.47Bt @ 3.84% Fe & 0.82% Ti Plus)

Chile - Putú

40km x 5km coastal extent. Five targets, including (1) sands below tidal level and:

1. Modern dunes up to 40m thick



2. Younger paleo-dune sands >300m thick



3. Older paleodune sands >100m thick

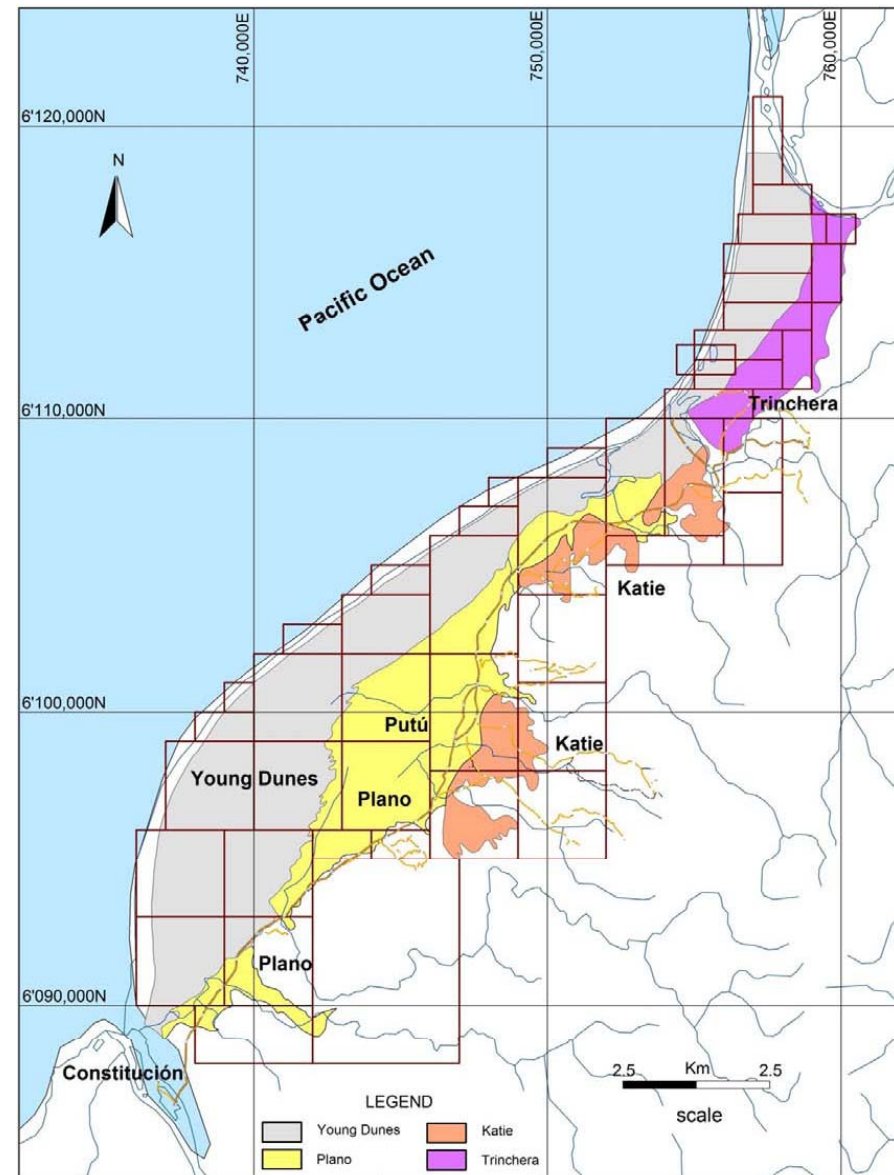


Life is not a beach



Chile – Putú: 2009 activities

- Define “Sweet Spot” → Magnetics etc
- JORC resource drilling
- Bulk sample generation
- Infrastructure & environmental analysis
- Pilot Plant testing



Chile – Putú: Plano



Chile – Putú: Trinchera



Chile – Putú

Paleo-dunes to 10m – Inferred Resources

	Area ha	Depth m	Density g/cm ³	Inferred Resource (t)	VHM Head Grades	VHM Resource (t)	% Fe in VHM	Fe (t)	% Ti in VHM	Ti (t)
TRINCHERA	2500	70	1.6	2,800,000,000	9.00	252,000,000	0.54	136,080,000	0.08	20,160,000
KATY	2900	40	1.6	1,856,000,000	15.00	278,400.00	0.65	180,960,000	0.1	27,840,000
PLANO	2000	15	1.6	432,000,000	6.00	25,920,000	0.32	8,294,400	0.05	1,296,000
TOTAL	7400			5,088,000,000		556,320,000		325,334,400		49,296,000

Chile - Maullín Project (south of Putu)

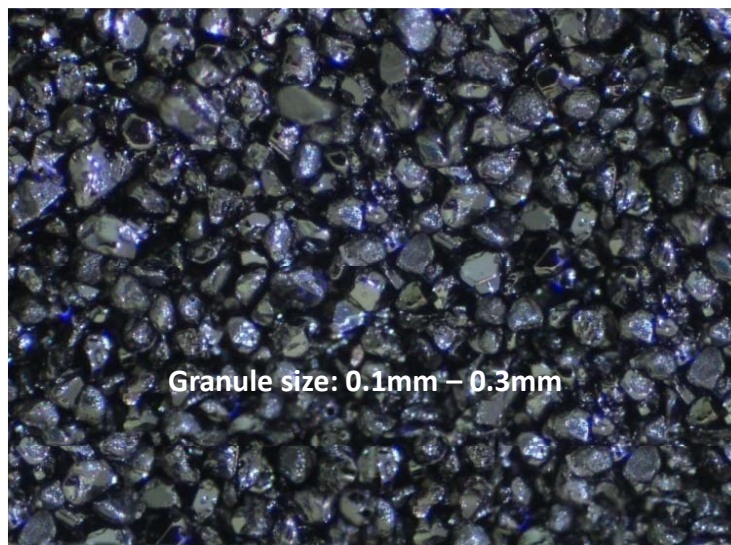
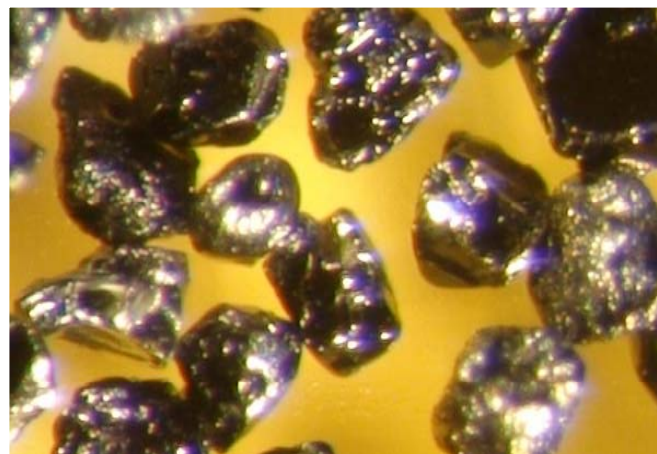
- Iron-rich deposits from coastal bedrock erosion & Andeans
- Largest resource potential is in paleo-dune sands
- Magnetite, titanium oxides, zircon & precious metals
- Activities to date - geological mapping & auger drilling
 - metallurgical analysis





Fierroinca – Black Sand Product

(minimal deleterious accessory minerals)





Production Process

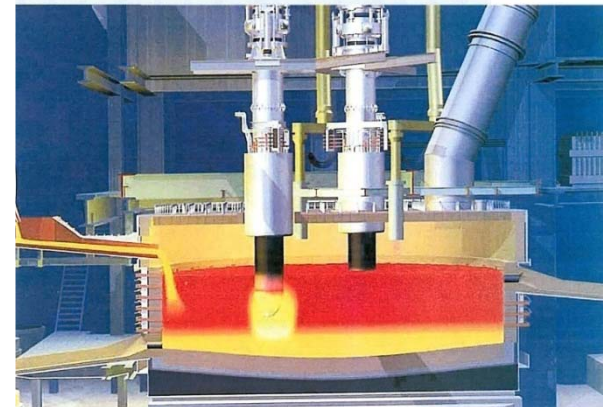
- Stage 1: Extraction/Beneficiation



- Stage 2: Smelting

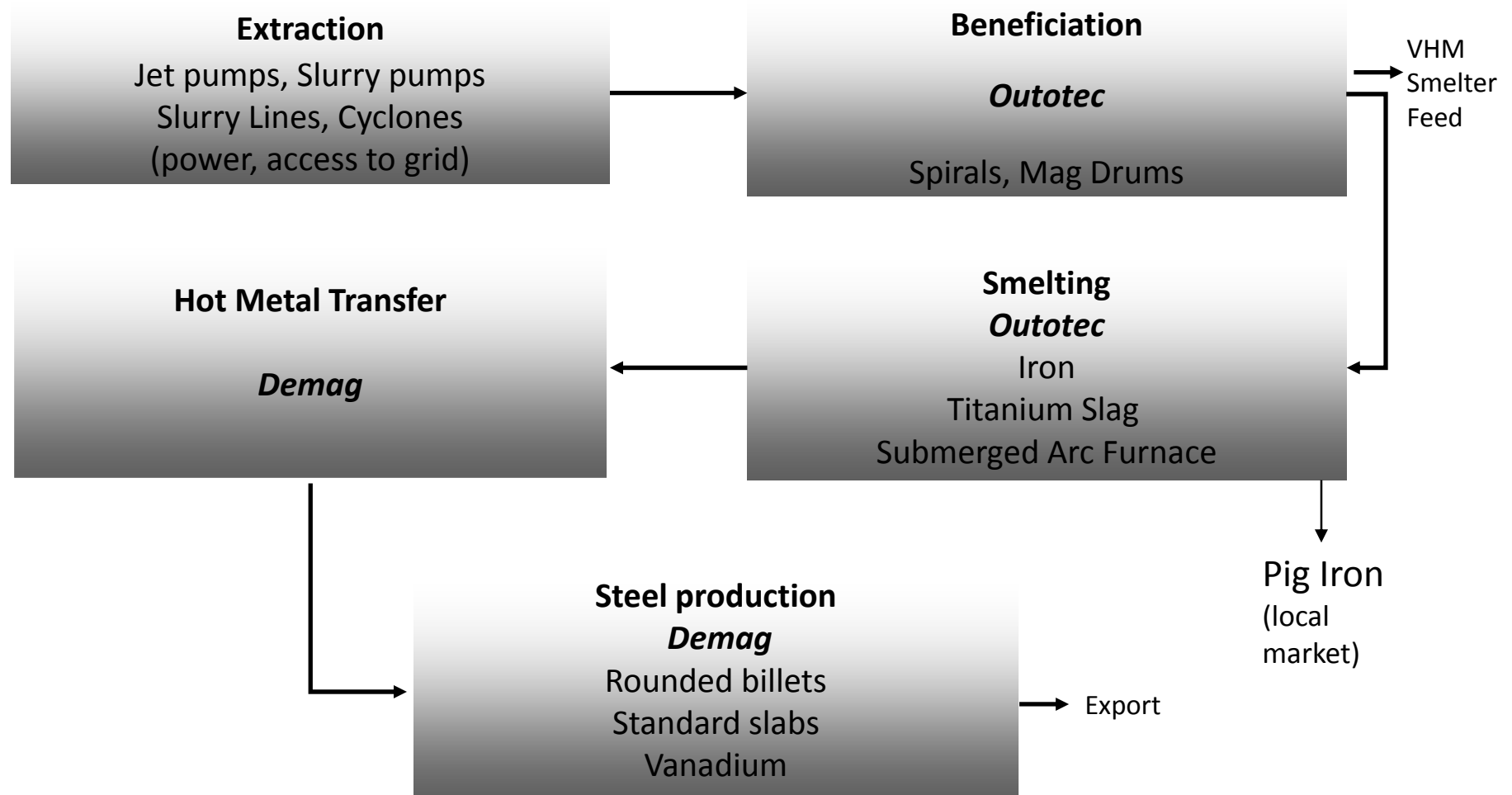


Submerged Arc Furnace (SAF)





Production Process



Similar Projects

Sydney Morning Herald

Fortescue sets sail across the ditch

Jamie Freed *July 30, 2008*

“The Pilbara iron ore miner has lodged several applications for exploration ground on the west coast of the South Island after registering a New Zealand subsidiary, FMG Pacific.

Fortescue is looking to test the ground for iron sands, which are already dredged along the coastline of the North Island by operators including BlueScope Steel. Fortescue said it planned to undertake limited testing for iron sands if it was granted the 4000 square kilometres of exploration ground it requested during the quarter. It lodged applications covering another 20,000 square kilometres in the present quarter”

Handan alters ore mix for life without Vale

13 October 2008

“Steel Business Briefing Ltd London - Handan Steel, a subsidiary of Hebei Iron & Steel Group, has adjusted its raw materials recipe to feed its blast and sintering furnaces. The change will include using lower grade and **high titanium iron ore** to compensate for the lack of high grade ore from Brazilian supplier Vale”

BlueScope Steel Announces the Divestment of the Taharoa Iron Sands Business For NZ\$250 Million

26 August 08

BlueScope Steel Limited (ASX: BSL) today announced the NZ\$250 million sale of its New Zealand iron sands mining and export operation, the Taharoa Iron Sands Business, to Cheung Kong Infrastructure Holdings Limited.

BlueScope processes 1.2 million tonnes of iron sands from its Waikato North Head mine into 600,000 tonnes of raw steel a year, and also exports sands from its Taharoa mine to customers in northern Asia.

“SAIS iron sand concentrate was successfully reduced to a level of metallization satisfactory for smelting in Outotec’s submerged arc technology smelting furnace”

OUTOTEC GmbH Germany

The simple and proven technology proposed is similar to that successfully employed at Bluescope Steel’s Iron Sands operation in New Zealand.

***“iron sand concentrate from the beneficiation test program was sent to Outotec’s Metals Processing division in Oberusel and Frankfurt, Germany for evaluation.....
The material was successfully smelted producing pig iron and a titanium rich slag both suitable for commercial use”***

OUTOTEC (USA) Inc.

- **Brazil** is often thought of as the best, if not only, investment play in Latin America, **but Chile** - with its equally abundant resources and sound fiscal governance - is emerging as an impressive economic rival.

In fact, Moody's Investment Service last month raised Chile's sovereign debt rating to A+ from A2. Chile is the only investment-grade country to be upgraded by Moody's since the financial crisis began almost two years ago. The ratings agency also boosted the foreign currency ratings of four major Chilean banks - **March 2009**
Jason Simpkins Managing Editor Money Morning

- The supply of conventional high quality, low cost iron ore is coming to an end, potentially leading to structurally higher steel making costs. Steel mills can reap major economic benefits by switching partially or totally to TiFe ores - **Vulcan Technologies Pty Ltd 2009**
- Mining and beneficiation methodology both GREEN

Other Iron Sands Projects

Company	Project Name	Location	Status
Rio	various	New Zealand	Accumulating 1270 km ² offshore leases
BHP	Taharoa & Waikato	New Zealand	In production & operating successfully since 1972. Proposed sale to chinese for NZ\$250M
FMG	various	New Zealand	Actively accumulating exploration leases Applications for 3800km ² onshore & 9000km ² offshore
Coziron	Agam	Indonesia	Defined resource with offtake agreement completed for supply to Chinese steel mill for 30,000t/month. Small scale operation commencing May 2009
Trans Tasman Resources	Various	New Zealand	6319 km ² offshore leases
Cardero	Pampa De Pongo & Pampa El Toro	Peru	Agreement in place for sale to Chinese company for US\$200M
Mineral Resources Ltd	Lingayen	Phillipines	Onshore & offshore. Currently four drill rigs on site
Indo Mines Ltd	Jogjakarta Liquid Iron Project	Indonesia	Resource defined & pilot plant run, smelting trials completed.
Sino Steel	Not available	New Zealand	Onshore leases totalling 9400 km ²
Amex Resources Ltd	Mba Delta	Fiji	Early stage & looking at onshore delta deposits, leases under application
MIL Resources Ltd	Amazon Bay	PNG	Early stage exploration

Execution

- Claw back Ecuador Concessions
- Consult with Government on Steel Industry in Ecuador – IMF, WB
- Determine resource/reserves “Sweet Spot” - Chile (~>120Mt)
- Complete Feasibility study
- Stage 1: Extract, beneficiate, ship
- Stage 2: Value add - smelt to produce:
 - Pig iron
 - Rounded billets & standard slabs
 - Titanium slag
 - Vanadium slag
 - Outotec testing of ore shows this is viable

Opportunity

Shares well priced at present, interest returning in SAIS story – TiFe ores definitely part of the new steel industry mix –

Buying opportunity

Important Information

This document has been prepared by South American Iron & Steel Corporation Limited (SAIS) for the purpose of providing a comprehensive company and technical overview to interested analysts and investors.

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SAIS recommends that all potential investors consult their professional advisor/s as an investment in the Company is considered to be speculative in nature.

Consent of a Competent Person

The information in this presentation that relates to estimates of mineral resources in Chile and Ecuador is based on information compiled by the Company under the supervision of Dr. Richard Haren who is a 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 works for South American Iron & Steel Corporation Limited and has consented to the inclusion in this report of the matters based on his information (including pages 5,10 and 16) in the form and context in which it appears.

Dr Richard Haren is the CEO of South American Iron & Steel Corporation Limited.



Richard Haren
CEO
PhD, MAIMM.