

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED
ABN 67 060 319 119
APPENDIX 4D
ASX HALF-YEAR INFORMATION – 31 DECEMBER 2008
LODGED WITH THE ASX UNDER LISTING RULE 4.2A

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by South American Iron & Steel Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED
ABN 67 060 319 119

RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008
(Previous corresponding period is the six months ended 31 December 2007)

		%		\$
Revenue from ordinary activities	Increased	5	to	165,485
Loss from ordinary activities after tax attributable to members	Increased	642	to	(6,529,547)
Loss for the period attributable to members	Increased	642	to	(6,529,547)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	Nil	N/A
Interim dividend	Nil	N/A
Record date for determining entitlements to dividend		N/A

Explanation of results
Please refer to the Directors' Report for further details on the group's operations and results of those operations.

DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial report of South American Iron & Steel Corporation Limited for the six months ended 31 December 2008, and the independent auditors' review report thereon.

1 Directors

The directors of the company at any time during or since the end of the year are:

	Period as Director
F. Belli	14 th December 2005 to present
D. Hobday	14 th December 2005 to present
F.W. Klückow	20 th February 2008 to present
J. Allaway	7 th January 2009 to 2 nd February 2009

2 Review and Results of Operations

The principal activity of the controlling entity during the course of the financial year was mineral exploration in South America.

The net loss for the period was \$6,529,547 (2007 half year: loss \$879,237).

During the period, the Company undertook:

- an auger drilling program at Plano Prospect, Putu, (in Chile) totalled 41 holes to depths of between 9 and 15m and was completed in mid-December 2008, generating 433 samples. Consequently, the Company reported an initial measured resource from surface to 11 metres depth amounting to 473 million tonnes at 6.03% iron and 0.84% titanium.
- Geological fieldwork, auger drilling and channel sampling of paleodune exposures of Putu concessions provided 167 samples from the Katy and Trinchera Prospects. These samples have been stored in the Company's facilities in preparation for desliming, drying, splitting and XRF analysis.
- Geophysical traverses over Plano and Trinchera Prospects were also completed in December.

In addition, in Aguas Claras, (a concession currently owned by the Company and has been contracted to be sold to Shoreline Minerals Limited), 115 auger holes had been drilled.

As a result of Ecuador's New Mining Law, the Company risks losing most, if not all, of its concessions in Ecuador. As a result, the Directors have impaired all exploration and concessions costs incurred in Ecuador.

DIRECTORS' REPORT
(continued)

3 Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2008.

Signed in accordance with a resolution of the directors:



Franco Belli
Managing Director

Sydney
Dated: 16 March 2009

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of South American Iron & Steel Corporation Limited

I declare that in relation to our review of the financial report of South American Iron & Steel Corporation Limited for the six months ended 31 December 2008, to the best of my knowledge and belief there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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Nexia Court & Co

Nexia Court & Co
Chartered Accountants

Sydney

Dated: 16 March 2009

AMH

Andrew Hoffmann
Partner

Partners

Stephen J Rogers
Ian D Stone
Paul W Lenton
Neil R Hillman
Stephen W Davis
David M Gallery
Robert A McGuinness
Kirsten Taylor-Martin
Andrew S Hoffmann
Graeme J Watman
David R Cust
Craig J Wilford
Sean P Urquhart
Robert Mayberry
Russell Reid

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NETWORK OF INDEPENDENT ACCOUNTING
AND CONSULTING FIRMS.

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF SOUTH AMERICAN IRON & STEEL CORPORATION
LIMITED**

Report on the Financial Report

We have reviewed the accompanying interim financial report of South American Iron & Steel Corporation Limited which comprises the consolidated condensed balance sheet as at 31 December 2008, condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, accompanying notes (notes 1 to 14) and the directors' declaration (set out on pages 7 to 15) of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of South American Iron & Steel Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED
ABN 67 060 319 119

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED
(Continued)**

Statement of Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of South American Iron & Steel Corporation Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Nexia Court & Co

Nexia Court & Co
Chartered Accountants

Sydney
Dated: 16 March 2009



Andrew Hoffmann
Partner

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED
ABN 67 060 319 119

DIRECTORS' DECLARATION

In the opinion of the directors of South American Iron & Steel Corporation Limited:

- a** the financial statements and notes, set out on pages 8 to 15, are in accordance with the Corporations Act 2001, including:
 - i** giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance for the six month period ended on that date; and
 - ii** complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- b** there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Franco Belli
Managing Director

Sydney
Dated: 16 March 2009

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

CONDENSED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Notes	Consolidated	
		31 Dec 2008 \$	31 Dec 2007 \$
Revenue from continuing operations	8(i)	165,485	157,220
Depreciation and amortisation expense	8(ii)	31,364	7,900
Impairment Loss on Employees' Shares – Loan		1,584,460	-
Impairment Loss on concessions		3,846,515	-
Other expenses		1,232,693	1,029,518
Loss before income tax		(6,529,547)	(880,198)
Income tax expense		-	961
Loss for the period attributable to equity holders of the company		(6,529,547)	(879,237)
Loss per share			
- Basic and Diluted		(0.051)	(0.007)

All potential ordinary shares, being options to acquire ordinary shares are not considered dilutive, as the exercise of the options would decrease the basic loss per share.

The accompanying notes form part of these financial statements.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

**CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	Consolidated	
		31 Dec 2008	30 Jun 2008
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		398,600	2,969,617
Prepayments		67,467	52,931
Trade and other receivables	9	999,483	2,219,432
Assets classified as held for sale		11,000,000	11,000,000
TOTAL CURRENT ASSETS		12,465,550	16,241,980
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,690,779	852,173
Exploration and evaluation expenditure	11	1,410,494	3,727,699
Other financial assets		43,112	512
TOTAL NON-CURRENT ASSETS		3,144,385	4,580,384
TOTAL ASSETS		15,609,935	20,822,365
CURRENT LIABILITIES			
Payables		174,980	206,595
Deferred income		300,000	300,000
Employee entitlements		34,595	28,855
TOTAL CURRENT LIABILITIES		509,575	535,450
TOTAL LIABILITIES		509,575	535,450
NET ASSETS		15,100,360	20,286,914
EQUITY			
Share capital	12	30,659,657	30,242,657
Reserves		1,930,281	1,004,287
Accumulated losses		(17,489,578)	(10,960,030)
TOTAL EQUITY		15,100,360	20,286,914

The accompanying notes form part of these financial statements.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

Consolidated	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2008	30,242,657	1,004,287	(10,960,030)	20,286,914
Loss for the period	-	-	(6,529,547)	(6,529,547)
Foreign currency translation differences	-	925,993	-	925,993
Share issue	417,000			417,000
At 31 December 2008	30,659,657	1,930,280	(17,489,577)	15,100,360
At 1 July 2007	21,054,523	5,603	(8,684,883)	12,375,243
Loss for the period	-	-	(879,237)	(879,237)
Foreign currency translation differences	-	39,449	-	39,449
Share issue	9,140,000	-	-	9,140,000
Cost of share issue	(550,129)	-	-	(550,129)
Share based payment	-	1,092,878	-	1,092,878
At 31 December 2007	29,644,394	1,137,930	(9,564,120)	21,218,204

The accompanying notes form part of these financial statements.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

**CONDENSED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	Consolidated	
	31 Dec 2008	31 Dec 2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	40,284	-
Cash payments in the course of operations	(871,928)	(688,240)
Interest received	111,941	157,220
Net Cash Used in by Operating Activities	(719,703)	(531,020)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for investments	(42,600)	-
Payment for plant and equipment	(419,880)	(674,029)
Mining exploration payments	(1,388,834)	(1,217,889)
Net Cash Used in by Investing Activities	(1,851,314)	(1,891,918)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to directors of loans previously made	-	(15,042)
Loans advanced – non-related parties	-	(1,490,000)
Repayment of borrowings	-	(175,000)
Shares issued on cash previously received in relation to pending share issue	-	(4,348,500)
Net proceeds from issue of share capital	-	8,664,663
Net Cash Provided by Financing Activities	-	2,636,121
NET (DECREASE)/INCREASE IN CASH HELD	(2,571,017)	213,183
Cash and Cash Equivalents at the Beginning of the Financial Period	2,969,617	4,494,434
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	398,600	4,707,617

The accompanying notes form part of these financial statements.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 REPORTING ENTITY

South American Iron & Steel Corporation Limited (the “company”) is a company domiciled in Australia. The consolidated interim financial report of the company as at, and for the six months ended 31 December 2008 comprises the company and its subsidiaries (together referred to as the “Group”).

The Annual Report of the Group, as at, and for the year ended 30 June 2008 is available upon request from the Company’s registered office at Suite 2 Level 10, 8-10 Loftus Street, Sydney NSW 2000 or at www.saironsteel.com.

2 STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 - *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual report of the Group, as at, and for the year ended 30 June 2008, and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The consolidated interim financial report was approved by the Board of Directors on 16 March 2009.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the group in this consolidated interim financial report are the same as those applied by the Group in its annual report, as at, and for the year ended 30 June 2008.

4 GOING CONCERN

The financial report of the Group has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group recorded a loss of \$6,529,547, which includes non-cash, impairment losses on the Ecuador mining concessions of \$3,846,515 and on employees’ shares purchase loans of \$1,584,460, for the six months ended 31 December 2008.

The Group had cash of \$398,600 as at 31 December 2008. On 12 February 2009, the Group raised \$1,029,500 through a share placement, of which Astron Limited subscribed \$774,500 for the placement.

Under the Conditional Funding Agreement with Astron Limited (announced in the ASX on 13 February 2009), due diligence is underway.

The Group plans to increase its capital base through the rights issue with Astron Limited and the Directors have no reason to believe that the proposed sub-underwriting with Astron Limited would be withdrawn.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

4 GOING CONCERN (continued)

In addition to the Conditional Funding Agreement with Astron Limited, the Company secured a \$10 million Equity Line of Credit funding facility with US-Based Investment Fund YA Global Investments, L.P (“YA Global”). Under the terms of the facility, the Company may, at its discretion, issue shares to YA Global at any time over the next 60 months, up to a total of \$10 million. The Company may draw down up to \$100,000 in any ten day period.

The directors have also taken action to reduce operating costs particularly in Ecuador.

Due to the above, the Directors are of the opinion the use of the going concern basis of accounting is appropriate.

5 ESTIMATES

The preparation of the consolidated interim financial report requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

6 FINANCIAL RISK MANAGEMENT

The Group’s financial risk management objectives and policies are consistent with those disclosed in the annual report, as at, and for the year ended 30 June 2008.

7 SUBSEQUENT EVENTS

On 13th February 2009, the Company issued 5,147,500 shares at \$0.20 per share and 2,573,750 attaching options at an exercise price of \$0.50 and expiring on 12th February 2011.

8 REVENUE AND EXPENSES

	Consolidated	
	31 Dec 2008	31 Dec 2007
	\$	\$
(i) Other Income		
Interest received	111,941	157,220
Other income	53,544	-
	<hr/>	<hr/>
	165,485	157,220
(ii) Expenses		
Depreciation and amortisation	31,364	7,900
	<hr/>	<hr/>

9 OTHER RECEIVABLES

Included in other receivables is an amount of \$539,250 in relation to loans under the Company’s Share Purchase Plan. During the period, the value of these shares was impaired to the extent of \$1,584,460.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

10 PROPERTY, PLANT AND EQUIPMENT

During the period, one of the company's controlled entities, Fierroinca Del Ecuador S.A., acquired a Pilot plant to the value of \$406,523. The remaining costs were incurred in acquiring furniture, fittings and fixtures. Increases shown also included the fall in value of the Australian Dollar as the overseas assets are reported in foreign currencies.

11 EXPLORATION CONCESSIONS

During the period, the company's subsidiaries have acquired mining licences and mining concessions and incurred exploration costs of \$1,537,818. An amount of \$3,846,515 is provided for impairment loss on concessions in view of Ecuador's New Mining Law.

12 SHARE CAPITAL

	Consolidated		Consolidated	
	Dec 2008	June 2008	Dec 2008	June 2008
	\$	\$	Shares	Shares
Ordinary shares				
Issued	30,987,657	30,570,657	129,254,963	128,754,963
<i>Movements during the year</i>				
Balance at beginning of the period	30,570,657	29,808,394	128,754,963	128,047,963
Share issues during the period	417,000	762,263	500,000	707,000
Balance at the end of the period	30,987,657	30,570,657	129,254,963	128,754,963

13 SEGMENT INFORMATION

Geographical segments

For the six months ended 31 December

	Australia		South America		Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Segment revenue	165,485	157,220	-	-	165,485	-	-	157,220
Segment result	(2,535,861)	(835,838)	(3,993,686)	(29,543)	-	(13,856)	(6,532,547)	(879,237)

Results from operating activities

(6,532,547) (722,017)

Business segments

The consolidated entity is engaged in mineral exploration in Chile and Ecuador in South America.

Accounting policies

Segment revenue and expenses are those directly attributable to the segments, and includes any joint revenue and expenses where a reasonable basis of allocation exists.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

13 SEGMENT INFORMATION (continued)

Intersegment transfers

Segment revenue, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods or services to parties outside of the Group at an arm's length. These transfers are eliminated on consolidation.

14 RELATED PARTIES

Arrangements with related parties continue to be in place. For details of these arrangements, refer to the Annual Report, as at, and for the year ended 30 June 2008.

SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

ABN 67 060 319 119

SUPPLEMENTARY APPENDIX 4D INFORMATION

NTA Backing

	31 Dec 2008	30 June 2008
Net tangible asset backing per ordinary share	11.68 cents	15.76 cents

The company has not declared any dividends.

The company does not have a dividend/distribution reinvestment plan.

Associated and Joint Venture Entities

N/A

Foreign Accounting Standards

N/A

Audit Alert

N/A