

SAIS

SOUTH AMERICAN IRON & STEEL

Broker Presentation July 2009

Code SAY:ASX

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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.

Capital Structure & Ownership

Capital Structure

Ordinary Shares	147,219,206
SPP August 09 (Max)	44,165,761
Total ordinary shares (post raising)	191,384,967
Unquoted options	10,753,750

Ownership

SAIS has circa 1900 Shareholders including:

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
UBS Wealth Mgt	Investor Group	6.4	4.36
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	2.5	1.68

The New 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 offshore mining ventures

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

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

Recent Developments

- In May the Company was restructured, Mr Franco Belli stood down as Chairman, CEO and MD to remain in a role as non executive director.
- Mr Terry Cuthbertson took over as non executive Chairman and Dr Richard Haren became the CEO and Managing Director.
- Both Mr Cuthbertson and Dr Haren have extensive experience running mining and exploration companies.
- At the same time the Company was able to raise approximately \$960,000 via a Placement to clients of Patersons in Perth and Sydney to retire debt and for working capital.
- Rigorous cost cutting was implemented in the Sydney office and in Ecuador to assist in the preservation of funds.
- New executive team visited South America to confirm the robustness of the projects and develop strategic alliances.
- Mr Belli's share holding is subject to escrow which is released on July 30, 2009, Mr Belli has agreed to enter into a further six month period of voluntary escrow for his personal shareholding.

Project Locations

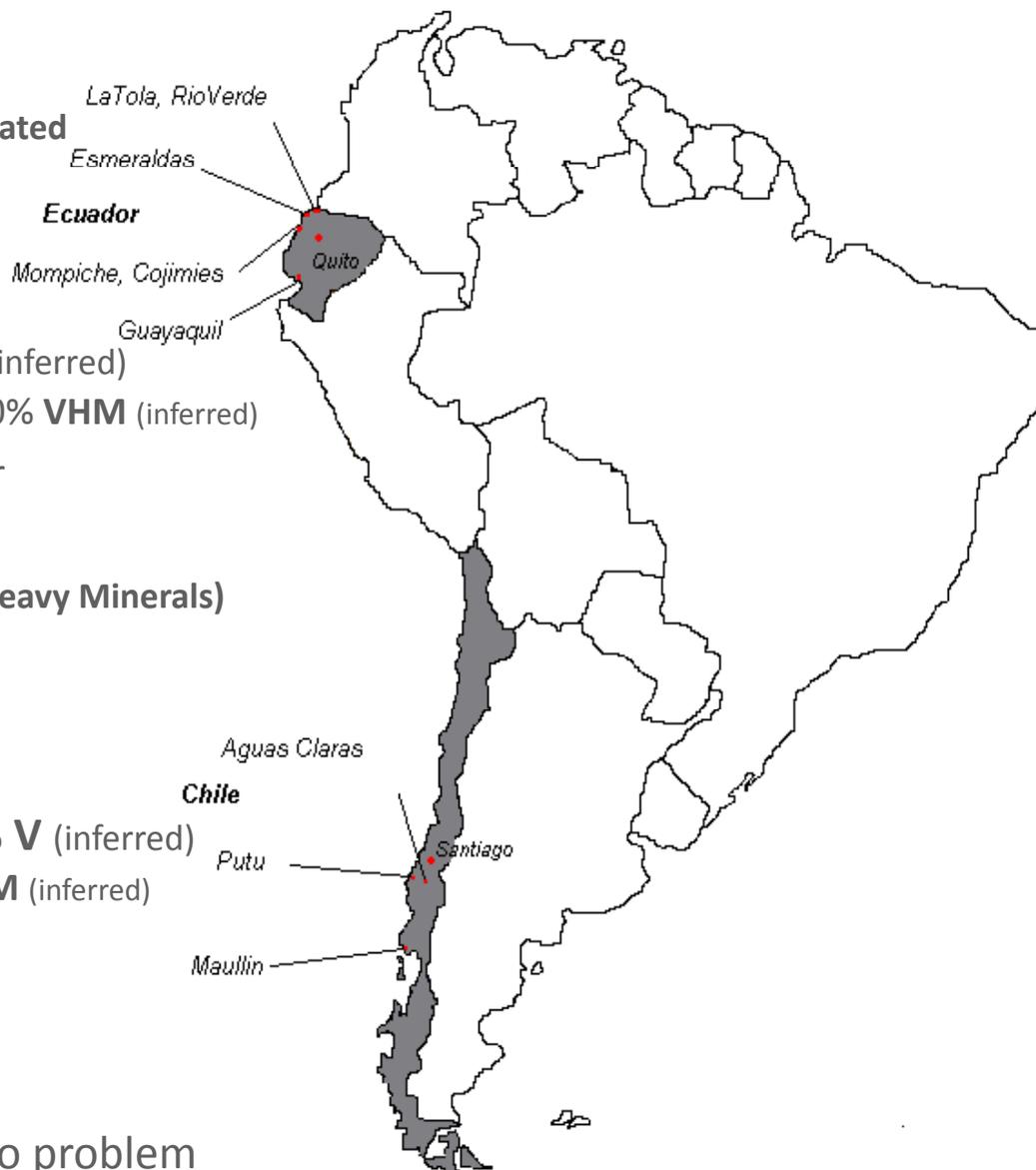
Ecuador (in dispute – resolution with Government progressing, 2 concessions reinstated)

- Projects = 6
- Corporate Tax = 25%
- Royalties = 3-5%

Av. 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%

Av. grade VHM +55% Fe, 10-13% Ti, 0.5% V (inferred)

Putu & Maullin more than 5.0Bt 9.0-10% VHM (inferred)

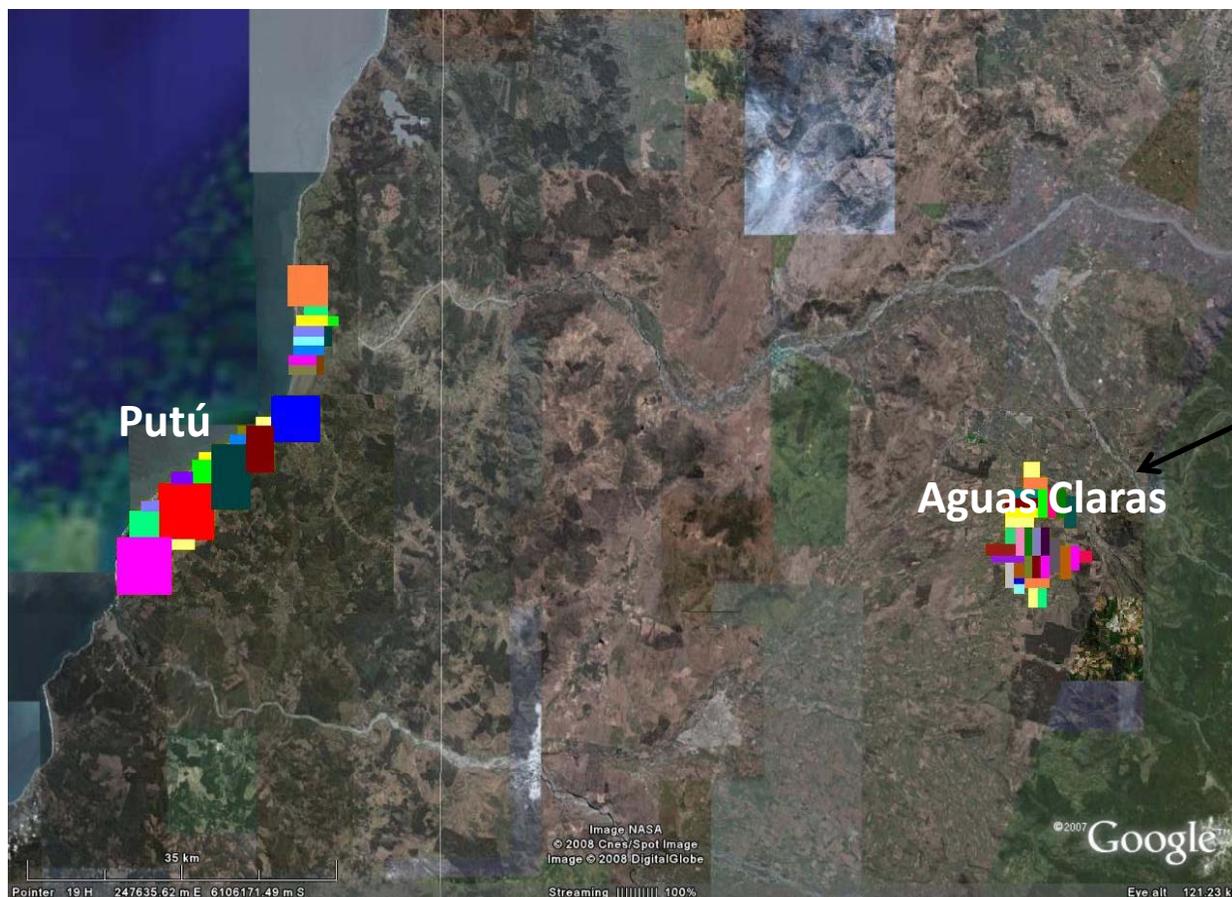
Testwork on Ores

- Outotec Report on Ecuador ore shows Ecuador ore produces commercial products – Chile also no problem



Chile Projects

Chile - Putú & Aguas Claras



**Under
Option
for Sale**

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

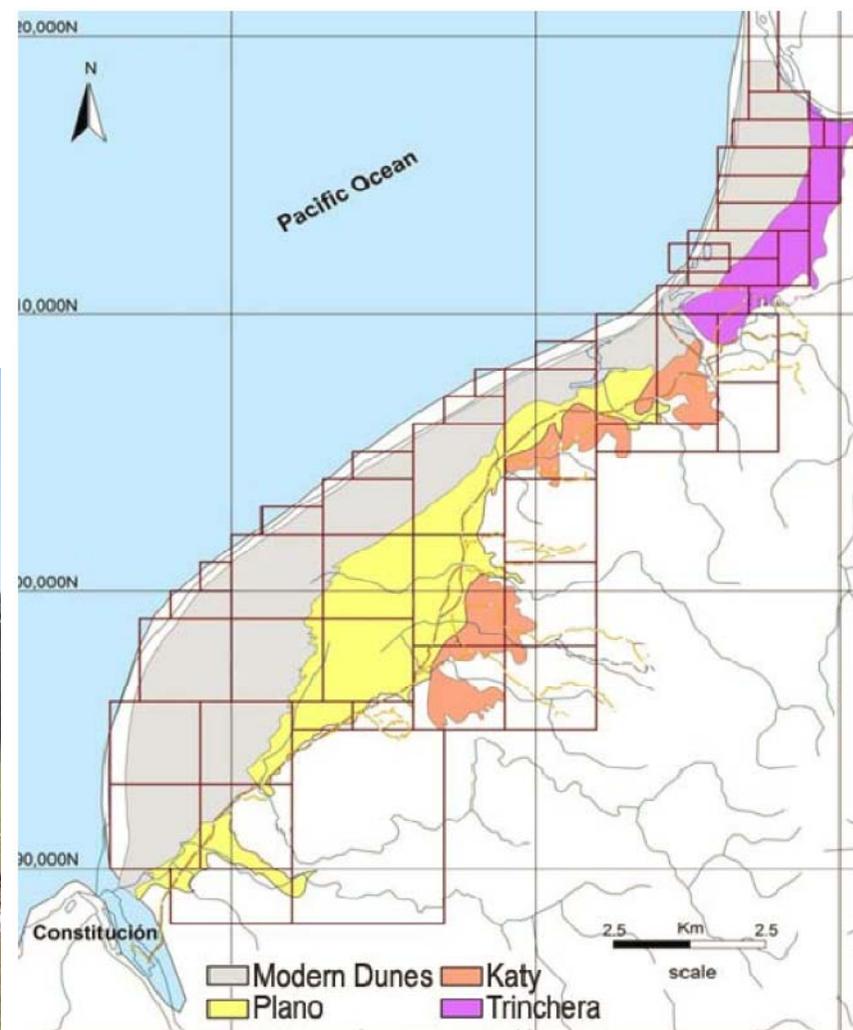


SAIS will not be mining on the beach



Chile – Putú: 2009 activities

- Aeromagnetic/radiometric data acquisition
- JORC resource drilling
- Bulk sample generation
- Infrastructure 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)

2,400 Ha of highly prospective Iron Sands

- Iron-rich deposits from coastal bedrock erosion & Andeans
- Largest resource potential is in paleo-dune sands
- Magnetite, titanium oxides, zircon & precious metals
- **2009 Activities – Geophysical data acquisition**
- **‘Sweet-spot’ test drilling**



Strategy in Chile

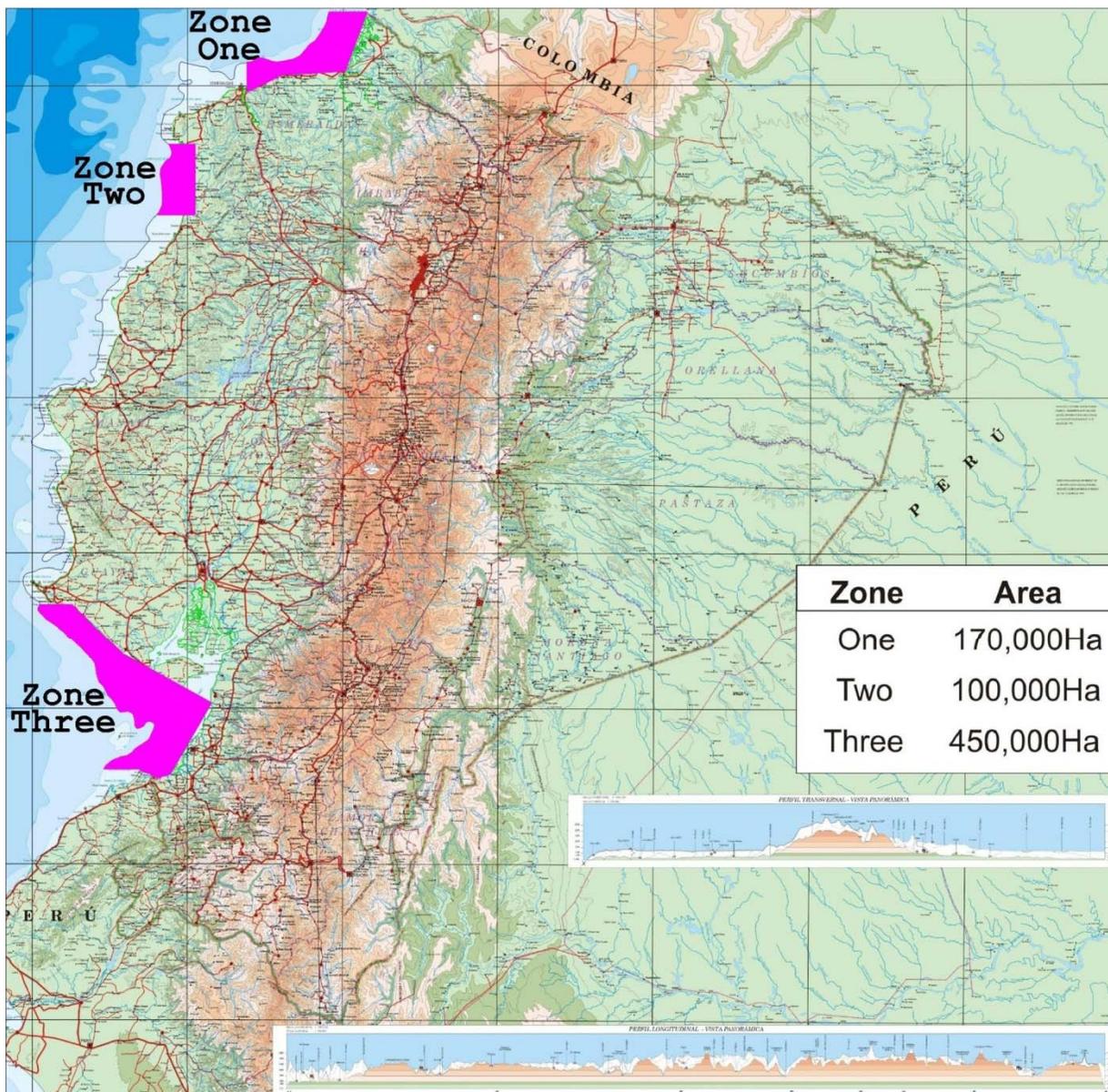
- Acquire airborne Geophysical Data and interpret
- Define a region with more than 150 million tonnes of ore
- Produce a Bankable Feasibility Study & borrow funds
- Develop the final EIA, obtain Environmental Licence and move to Exploitation
- Develop a mining system to treat between 1,800 and 2,500 tonnes per hour
- Build a beneficiation plant to produce concentrates



Ecuador Projects

Strategy in Ecuador

- **Get all concessions re-granted ~100,000 Ha (2 already reinstated) or sign a contract with the Ecuadorian Govt. to facilitate exploration over an area >720,000 Ha**
- **Acquire airborne Geophysical Data and interpret**
- **Develop the preliminary Environmental Impact Assessment**
- **Start drilling campaign over areas defined as anomalous**
- **Start bulk sampling with Pilot Plant (10 tonnes per hour)**



A Contract (facilitating exploration and mining) with the Government of Ecuador is being actively negotiated by the Company

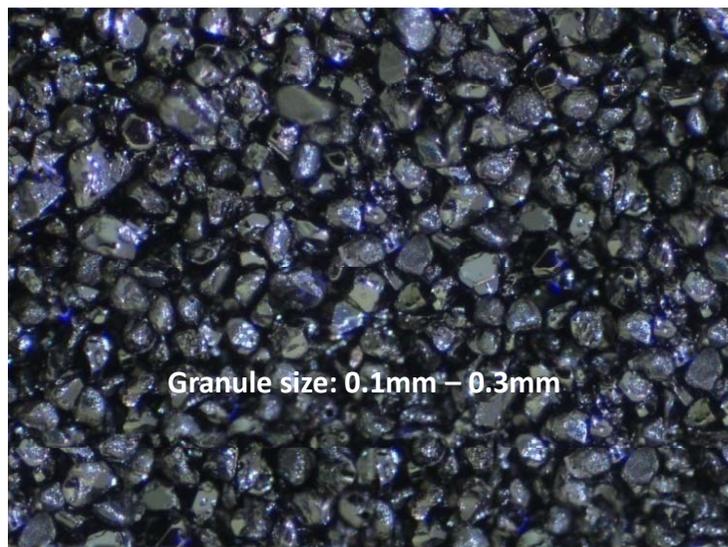
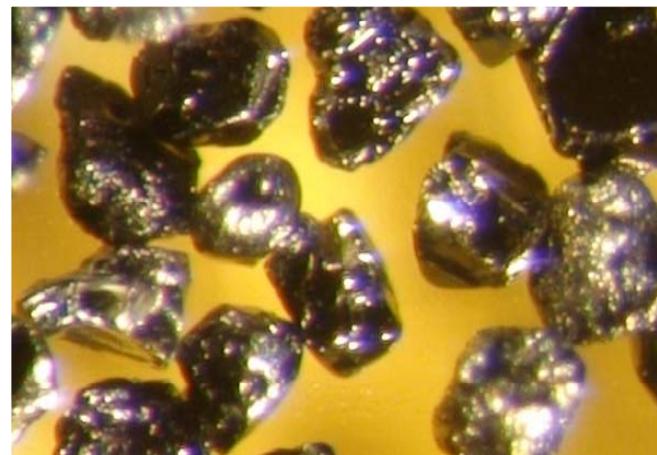
Both on-shore & off-shore areas under negotiation

Total Area Requested >720,000 Ha



Fierroinca – Black Sand Product

(minimal deleterious accessory minerals)





Fierroinca - Mineral Analysis

		Outotec USA July 2007 (Analysis of smelter feedstock)	Titanatek XRF Product Ex 216105-00005	Titanatek XRF Product Ex 21611905- 007	Titanatek XRF Product Ex 2160500006
Fe	%	49.53	49.9	49.7	50.5
TiO₂	%	26.58	26.6	26.3	26.4
SiO ₂	%	1.17	0.64	1.07	0.35
Al ₂ O ₃	%	0.79	0.70	0.69	0.66
Cr ₂ O ₃	%	0.08	0.088	0.093	0.085
MgO	%	1.46	1.41	1.48	1.44
MnO	%	0.26	0.27	0.29	0.26
ZrO ₂	%	na	0.03	0.12	0.04
P ₂ O ₅	%	na	0.192	0.20	0.184
Nb ₂ O ₅	%	na	0.008	0.008	0.007
V₂O₅	%	0.52	0.45	0.49	0.46
SO ₃	%	na	0.06	0.043	0.02
CaO	%	0.45	0.27	0.31	0.25
K ₂ O	%	na	0.01	0.01	0.01
CeO ₂	%	na	0.002	0.006	0.006
U	ppm	na	< 10	< 10	< 10
Th	ppm	na	28	< 10	31



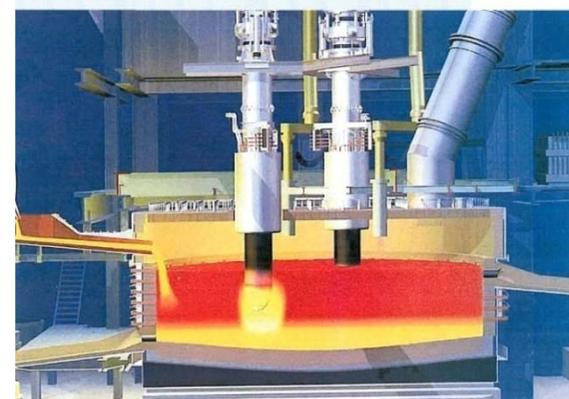
Production Process

▪ Stage 1: Extraction/Beneficiation

▪ Stage 2: Smelting

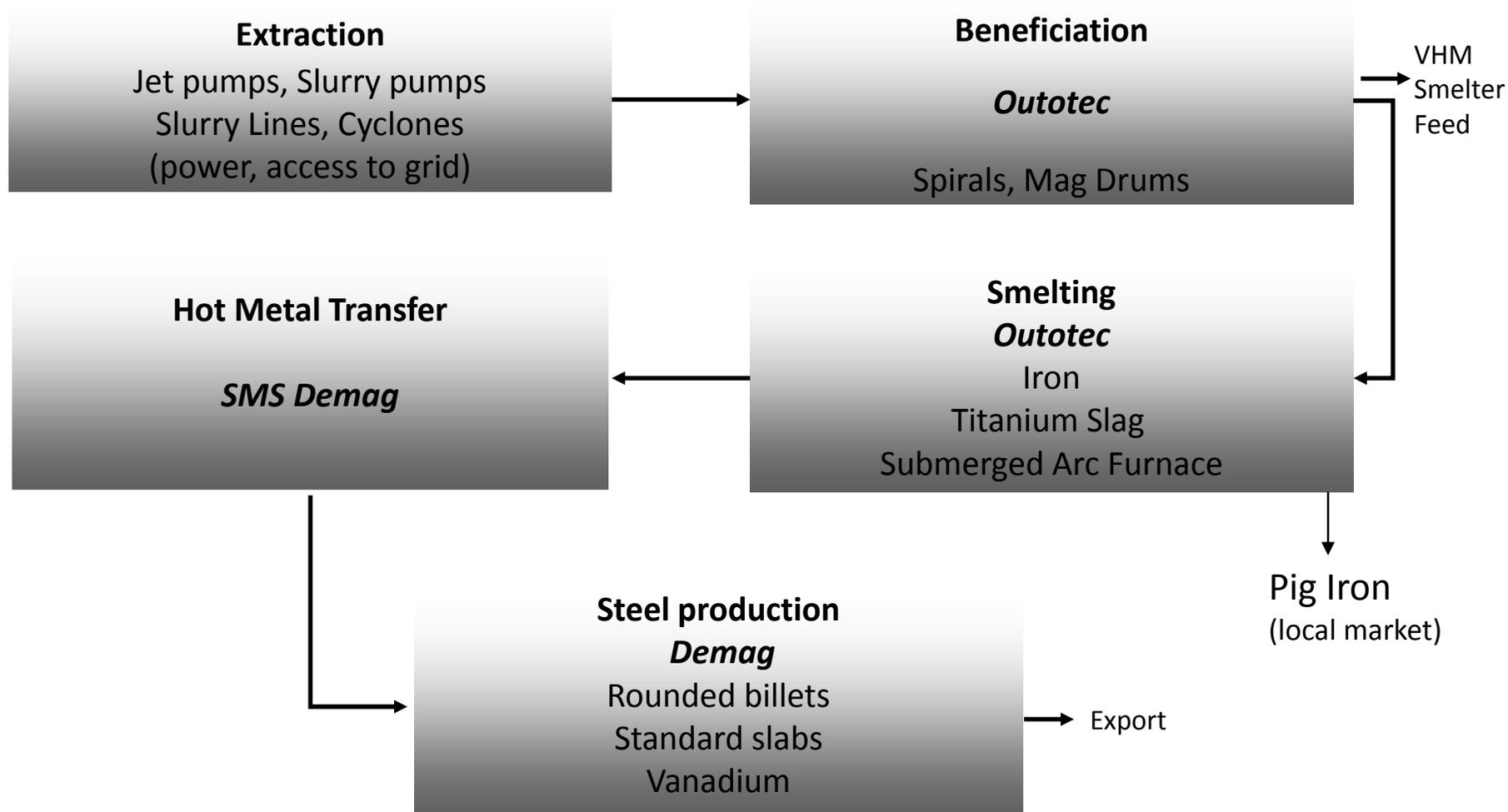


Submerged Arc Furnace (SAF)





Production Process



Proven Technology – Minimal Risk

“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 better than 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.

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

Outlook

Key Dates

- Geophysical data acquisition – Sept/Oct 2009
- Drilling commencing – December 2009
- Resource – 2nd Quarter 2010
- Bankable Feasibility Study – Early 2011
- Mining, processing and shipping – End 2011

Goals

- Production - establish mining and export (minerals, pig iron etc)
- Costs - bottom of the cost curve
- Technology - employ best technology available
- Environmental - be socially responsible
- Communities - improve quality of life

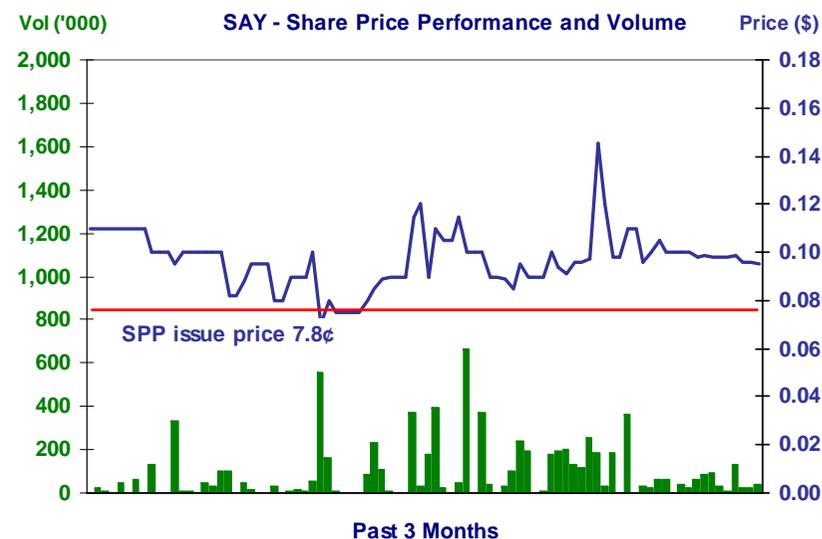
Proposed Capital Raising via Underwritten SPP

Capital Raising

- Issue of up to 44.2 million Fully Paid Ordinary Shares at 7.8c to raise up to ~ \$3.4 million
- Price represents a 20% discount to 5 day VWAP at market close
- Patersons proposes to enter into an Underwriting Agreement for the issue

Timetable (subject to change)

- Announce SPP close of business 29 July
- Close book build for sub-underwriting at 2pm 31 July EST
- Record date 7 August
- Offer closes 25 August
- General Meeting 4 September
- Allotment 4 September



Use of Funds (If SPP fully subscribed)

- **Geophysical Data acquisition & interpretation**
\$250,000
- **Test drilling of Anomalous Zones from geophysics & mapping**
\$2,000,000
- **Working Capital and Issue Costs**
\$1,150,000

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.

DETAILED PROJECT FLOW DIAGRAM

