Annual Report

for the year ended

30 June 2015

Contents

1. DIRECTORY

South American Iron & Steel Corporation Limited
ABN 67 060 319 119

Registered office
Suite 4
Level 10
8 – 10 Loftus Street
Sydney NSW 2000
Tel: +612 81881491
Fax: +612 92525638

Directors
Terry Cuthbertson, Chairman
Kenneth Lee, CEO / Managing Director
Dr Richard Haren, Non-Executive Director
Dr Simon Ning, Non-Executive Director
David Yu, Non-Executive Director

Company Secretary
Kenneth Lee

South American Iron & Steel Website:
www.saironsteel.com

Share Registry
Link Market Services Limited

All Registry communications to:
Link Market Services Limited
Locked Bag A14 Sydney
South NSW 1235 Australia
Telephone: +1300 554 474
Facsimile: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Auditor
Nexia Court & Co
Chartered Accountants
Level 16, 1 Market Street
Sydney NSW 2000

2. DIRECTORS' REPORT

The Directors present their report together with the financial report of South American Iron & Steel Corporation Limited ("the Company") and the consolidated financial report of the Group, being the Company and its controlled entities, for the year ended 30 June 2015 and the auditors' report thereon.

2.1 Directors

The Directors of the Company at any time during or since the financial year are:

	Period as Director
Terry Cuthbertson (Chairman)	18 May 2009 to present
Kenneth Lee (CEO, Co. Sec)	24 March 2009 to present
Dr Richard Haren (Director)	13 May 2009 to present
Dr Haomin Simon Ning (Director)	4 April 2011 to present
William Ji (Director)	27 September 2012 to 5 June 2015
David Yu (Director)	25 June 2015 to present

Details of the above Directors follow:

Terry Cuthbertson, Chairman, Independent Non-Executive Director

Mr. Cuthbertson holds a Bachelor of Business Degree and is a member of the Australian Institute of Chartered Accountants.

He is a former Partner of the Audit and Corporate Finance Divisions of KPMG Chartered Accountants and former NSW Partner in Charge of Mergers and Acquisitions, where he coordinated government privatisations, mergers, acquisitions, divestitures and public offerings on the Australian Stock Exchange for the New South Wales practice.

Mr. Cuthbertson is the former Group Finance Director of Tech Pacific Holdings Pty Limited, which in 1999 had a turnover of $AU2 billion and was a Director for Tech Pacific Holdings Pty Limited's businesses in China, Hong Kong, Singapore, India, Philippines, Indonesia and Thailand. Mr. Cuthbertson is Chairman of Montec International Limited, Chairman of Austpac Resources NL, Chairman of MyNetFone Limited, Chairman of Malachite Resources Limited, Non-executive Director of Mint Wireless Limited, and Non-executive Director of Isentric Limited.

Kenneth Lee, CEO, Company Secretary, Executive Director

Mr Kenneth Lee was appointed to the position of Company Secretary on 20 February 2008 and a Director on 24 March 2009. Kenneth Lee is a member of the Institute of Chartered Accountants in England & Wales and has a Masters degree in Business Administration. He was a Director of KPMG Corporate Finance, Sydney. Kenneth was Company Secretary to Berren Limited and manager of the International Wine Fund (formerly Australian Wine & Investment Fund), a listed fund with more than $200 million under management.

Dr Richard Haren, Independent Non-Executive Director

Dr Haren has over twenty five years project management experience involving numerous industries including all facets of minerals/hydrocarbon exploration and mining/production. Dr Haren has consulted to a variety of public and private companies in Australia, Asia, Africa, the C.I.S, North and South America involving exploration and mining. Dr Haren was awarded a First Class Honours Degree and University Medal in Physics and a PhD in Exploration Geophysics from the University of New South Wales, his PhD focussed on the electromagnetic response of the Woodlawn & Elura base metals deposits in NSW.

Dr Haren was a Project Manager for over two years in the mid-1990s with Exploration Geoscience (BMR) in Canberra in charge of the Broken Hill Exploration Initiative, a National Geoscience Mapping Accord project with a budget in excess of $2.5 million per annum. He has been invited onto the Boards of several publicly listed Companies including Mount Grace NL, Hillcrest Resources NL, Molopo Australia NL (CBM producer), China Yunnan Copper Australia Limited and Triton Corporation Limited.

From the mid-nineties to 2002 he consulted to a national broking firm Tolhurst Noall Ltd working on capital raising and analysis of high tech, biotech and IT companies. He is also the Director of a number of unlisted public companies and private companies that are involved in gold and base metal exploration in Australia and Africa.

Dr Haren is a corporate member of the Australasian Institute of Mining and Metallurgy, the Society of Exploration Geophysicists and the Australian Society of Exploration Geophysicists.

Dr Haomin Simon Ning, Independent Non-Executive Director

Dr. Ning is a young entrepreneur with international experience. He gained his management experience in hydro-power engineering (Zublin AG.), civil engineering, electronics and semiconductor (SIEMENS) industries before he moved into the management consulting industry (Balanced Scorecard Collaborative).

Whilst gaining his PhD. in Management and Marketing in the UK, he started his own business helping a number of Chinese companies penetrating into the EU market. Dr. Ning is currently the Managing Director of an investment company and a construction group company based in China.

Mr William Ji, Independent Non-Executive Director

Mr Ji has wide ranging experience in management, finance, mining and project management. He has been in senior positions with CITIC Group since November 2006, to begin with, as a Director (of which he presently remains in that position) of CITIC International Tendering Co., Ltd. Mr Ji is also the Chairman of Jiangxi CITIC Mining Investment Co., Ltd. (since August 2008) and Chairman of CITIC Project Management (Beijing) Co., Ltd. (since February 2012).

The above companies are subsidiaries of CITIC Limited, a large state-owned multinational conglomerate (total assets of RMB 2,539 billion, approximately AUD $391 billion, at the end of 2010) with both financial and non-financial businesses. Its financial business covers a full range of services including commercial banking, investment banking, trust, insurance, fund management and asset management and its non-financial business includes real estate, engineering contracting, energy and resources, infrastructure construction, machinery manufacturing and IT industry.

Mr Ji holds an MBA degree from Singapore International Management Academy & James Cook University, Singapore. In addition, Mr Ji is a member of the Professional Golf Teacher Academy, USA.

Mr David Yu, Independent Non-Executive Director

Mr. Yu has wide ranging experience in business management and funds raising. He is also a part owner of a large shopping centre in Southern China.

His other expertise is the development of properties.

2.2 Company Secretary

Mr Kenneth Lee was appointed to the position of Company Secretary on 20 February 2008.

2.3 Principal Activities

The principal activity of the Group during the course of the financial year was mineral exploration for iron sands in South America, with an emphasis on Chile.

2.4 Operating and Financial Review

The net profit of the Group for the year ended 30 June 2015 after income tax was $283,588 (2014: Loss $9,783,011).

During the financial year, entities in the Group divested its mining assets in Chile and sought new opportunities, which may well include opportunities beyond the Company's traditional resource sector. An overview of the operations of the Group is set out below.

2.5 Dividends

The Directors do not recommend the payment of a dividend. No dividends were previously declared or paid since the end of the previous financial year.

2.6 Review of Operations

The Company is determined to rebuild shareholder confidence and value. To this end the Company has appointed advisers to assist in the identification of new business opportunities and the sourcing of additional funding for working capital.

Given the current market difficulties the junior mining sector is experiencing, the Board believes that it needs to assess a range of new opportunities, which may well include opportunities beyond the Company's traditional resource sector.

In addition to reviewing new opportunities, the Company has instigated a number of cost cutting measures aimed at minimising cash outflows through this transitional phase.

Exploration activities in Chile have been curtailed, while operational and administrative overheads have been reviewed and reduced.

The Company, like many other junior exploration companies, has recently experienced difficulty in maintaining investor support and raising further funds to advance its operations, notwithstanding positive operational and technical results in South America.

Attempts to refine business strategy through a greater focus on iron sands exploration in Chile, proposed strategic alliances and the disposal of certain Chilean assets, have to date not come to fruition in view of significant falls in the iron ore price and has materially affected the marketability of SAIS iron sands.

Consequently, management reviewed the potential and recoverable amount of the mining concessions held in Aguas Claras, in Maullin and in Putú and management determined not to renew those concessions in Aguas Claras, Maullin and Putú. In addition, the Company has divested its holdings in the Quince concessions and its land held in Aguas Claras.

The recent actions of the Board should give shareholders reassurance that it is determined to preserve capital and rebuild shareholder value, and implement the necessary steps to do so.

Aguas Claras Project (Iron sands, Chile)

The Company has not performed any exploration at Aguas Claras during the year. During the year, the Company has successfully negotiated for the sale of the Company's land located at Aguas Claras for $329,291.

Quince Project

The Company sold its 10% interest in the Quince concessions.

Following the Purchase Option Agreement signed between the Quince concessions holders and the buyer, the buyer had now exercised the option to acquire the Quince Concessions through a Purchase Agreement.

Under the terms of the Purchase Agreement, the buyer will pay US $750,000 deposit and a remaining sum of US $8,448,000 over 12 equal monthly instalments of US $704,000 each; commencing from 30th April 2015. To date, the Company has received its 10% share of the monthly instalments less related tax and related expenses.

Corporate

On 5th June 2015, Mr William Ji resigned as a non-executive Director. On 25th June 2015, Mr David Yu was appointed as a non-executive Director.

On 10th April 2015, the Company raised $220,000 through the issue of shares via a share placement to a sophisticated investor.

2.7 Changes in the State of Affairs

Other than those items referred to above, and referred to in this report, the financial statements and the accompanying notes there were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

2.8 Events Subsequent to Balance Date

In the interval between the end of the financial year and the date of this report the Company has received proceeds of $329,291 from the sale of its land held in Aguas Claras. Since the year end, a sophisticated investor has deposited $200,000 into the Company's bank account as part of a $200,000 share placement agreed at 0.3334 cents per share.

Other than the above, there has been no item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years. In the interval between the end of the financial year and the date of this report the Company issued.

2.9 Likely Developments

As stated in 2.6 above, Review of Operations, the Board believes that it needs to assess a range of new opportunities, which may well include opportunities beyond the Company's traditional resource sector.

The Company, like many other junior exploration companies, has recently experienced difficulty in maintaining investor support and raising further funds to advance its operations, notwithstanding positive operational and technical results in South America. In addition, the significant falls in iron ore prices have currently affected the economic viability of the Company's iron sands assets and its production.

The Group has therefore curtailed its exploration activities in Chile while operational and administrative overheads have been reviewed and reduced.

To facilitate in identifying new business opportunities and the sourcing of additional funding for working capital, the Company has appointed advisers.

The recent actions of the Board should give shareholders reassurance that it is determined to preserve capital and rebuild shareholder value, and implement the necessary steps to do so.

2.10 Environmental Regulations

The Group's operations are not subject to any significant environmental regulations under Australian Law. The consolidated Group is subject to significant environmental regulations in South America to which it is fully compliant and the Group plans to perform activities so that adverse effects on the environment are avoided or kept to a minimum.

2.11 Directors Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	**Board Meetings**		**Audit Committee Meetings**	
	A	**B**	**A**	**B**
Terry Cuthbertson	6	6	2	2
Kenneth Lee	6	6	2	2
Richard Haren	6	6	2	2
Simon Ning	6	6	-	-
William Ji	5	5	-	-
David Yu	-	-	-	-

A – Number of meetings attended
B – Number of meetings held during the time the Director held office during the year.

2.12 Remuneration Report – Audited

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

(i) Principles used to determine the nature and amount of remuneration
(ii) Details of remuneration
(iii) Service agreements
(iv) Share based compensation
(v) Additional information
(vi) Additional disclosures relating to key management personnel

(i) Principles used to determine the nature and amount of remuneration

The Group's policy for determining the nature and amount of emoluments of board members and senior executives of the consolidated entity is as follows:

The objective of the entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- attracts and retains well qualified and suitably experienced applicants;
- has the goal of economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of growth in share price, and, in the longer term, payment of dividends and delivering an adequate return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short (STI) and long-term (LTI) incentives. As executives gain seniority with the Group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current year. Recognition is given to earnings in setting executive remuneration but, as the Group is involved in mineral exploration rather than mineral mining and production, relevant experience, industry standards and the annual exploration outcomes, rather than earnings, are given greatest weight in remuneration considerations.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board has also drawn on external sources of information to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Executive directors

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave .

The combination of these comprises an executive's total remuneration.

(ii) Details of remuneration

Cash remuneration packages are set at levels that are intended to attract and retain executives capable of managing and enhancing the consolidated entity's operations. Remuneration of individual non-executive Directors is determined by the Board and may be varied from time to time.

Amounts of remuneration

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consists of the following directors:

Mr T Cuthbertson – Non-executive Chairman
Mr K Lee – Managing Director and Chief Executive Officer
Dr R Haren – Non-executive Director
Dr S Ning – Non-executive Director
Mr W Ji – Non-executive Director
Mr D Yu – Non-executive Director

Remuneration of non-executive Directors fees

Directors	Directors fees
Mr T Cuthbertson	$15,000
Dr R Haren	$15,000
Dr S Ning	$Nil
Mr W Ji (Resigned 5 June 2015)	$Nil
Mr D Yu (Appointed 25 June 2015)	$Nil

.

2.12 Remuneration Report – Audited (continued)

For the year ended 30 June 2015

	Short-term employee benefits	Post employment benefits	Share-based payment	Other long-term benefits	Total compensation	Value of options as proportion of remuneration
	Cash					
	Salary and fees	Super	Options			
	$	$	$	$	$	%
Director						
T Cuthbertson	15,000	-	-	-	15,000	0.00
K Lee	45,000	4,162	-	-	49,162	0.00
R Haren	15,000	-	-	-	15,000	0.00
S Ning	-	-	-	-	-	0.00
W Ji (resigned 5 June 2015) D Yu (appointed 25 June 2015)	-	-	-	-	-	0.00
	75,000	4,162	-	-	79,162	0.00

For the year ended 30 June 2014

	Short-term employee benefits	Post employment benefits	Share-based payment	Other long-term benefits	Total compensation	Value of options as proportion of remuneration
	Cash					
	Salary and fees	Super	Options			
	$	$	$	$	$	%
Director						
T Cuthbertson	60,000	-	-	-	60,000	0.00
K Lee	180,000	16,650	-	(26,092)	170,558	0.00
R Haren	60,000	-	-	-	60,000	0.00
S Ning	15,000	-	-	-	15,000	0.00
W Ji	-	-	-	-	-	0.00
	315,000	16,650	-	(26,092)	305,558	0.00

Key management personnel are the same for the Group and the Company. All key management personnel are shown above.

There is no link between key management personnel remuneration and the share price or dividends.

There is no relationship between the performance of the Group and remuneration over the past five years.

(iii) Service agreement

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of applicable service agreements are set out as follows:

Name: Kenneth Lee
Title: Managing Director and Chief Executive Officer
Details: The employment conditions of the Managing Director, Kenneth Lee, is formalised in a contract of employment. The employment contract stipulates a 12 month resignation notice period. The Group may terminate an employment contract without cause by providing 12 months written notice or making payment in lieu of notice together with any applicable redundancy payment. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Group can terminate employment at any time. Any options not exercised before or on the date of termination will lapse.

(iv) Share based compensation

Issue of shares

Details of shares held by directors and other key management personnel during the year ended 30 June 2015 and 30 June 2014 are set out below. No shares were issued as part of the key management personnel remuneration.

Shares

Ordinary Shares	Held at 1 July 2014	Movements	Held at 30 June 2015
Directors			
R Haren	183,703	-	183,703
K Lee[1]	2,227,698	-	2,227,698
T Cuthbertson	198,307	-	198,307
S Ning	-	-	-
W Ji (resigned 5 June 2015)	-	-	-
D Yu (appointed 25 June 2015)	-	79,649,000	79,649,000

Ordinary Shares	Held at 1 July 2013	Movements	Held at 30 June 2014
Directors			
R Haren	183,653	-	183,703
K Lee[1]	2,227,698	-	2,227,698
T Cuthbertson	198,307	-	198,307
S Ning	-	-	-
W Ji	-	-	-

[1] These shares includes 300,000 shares acquired under the Company's employee share purchase plan, prior to K Lee's appointment as a Director, and held by Aconcagua SPP Nominees Pty Limited, a nominee company as security for a non recourse loan.

Share based payments

The following share based payment arrangements, all of which would be settled for shares, existed at 30 June 2015:

- On 6 July 2010, pursuant to shareholders approval at a general meeting, 6,666,666 options were granted to Directors as part of the Company's incentive scheme at an exercise price of $0.10. All options vested upon granting and can be exercised from 6 July 2011 until 5 July 2015. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 6 July 2010, pursuant to shareholders approval at a general meeting, 6,666,667 options were granted to Directors as part of the Company's incentive scheme at an exercise price of $0.15. All options vested upon granting and can be exercised from 6 July 2012 until 5 July 2015. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 6 July 2010, pursuant to shareholders approval at a general meeting, 6,666,667 options were granted to Directors as part of the Company's incentive scheme at an exercise price of $0.20. All options vested upon granting and can be exercised from 6 July 2013 until 5 July 2015. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 14 December 2011, pursuant to shareholders approval at a general meeting, 2,000,000 options were granted to a Director as part of the Company's incentive scheme at an exercise price of $0.20. All options vested upon granting and can be exercised from 15 December 2012 until 14 December 2016. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 14 December 2011, pursuant to shareholders approval at a general meeting, 2,000,000 options were granted to a Director as part of the Company's incentive scheme at an exercise price of $0.25. All options vested upon granting and can be exercised from 15 December 2013 until 14 December 2016. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 14 December 2011, pursuant to shareholders approval at a general meeting, 2,000,000 options were granted to a Director as part of the Company's incentive scheme at an exercise price of $0.30. All options vested upon granting and can be exercised from 15 December 2014 until 14 December 2016. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 28 November 2012, pursuant to shareholders approval at a general meeting, 2,000,000 options were granted to a Director as part of the Company's incentive scheme at an exercise price of $0.10. All options vested upon granting and can be exercised from the date of issue until 5 July 2015. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 28 November 2012, pursuant to shareholders approval at a general meeting, 2,000,000 options were granted to a Director as part of the Company's incentive scheme at an exercise price of $0.15. All options vested upon granting and can be exercised from the date of issue until 5 July 2015. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 28 November 2012, pursuant to shareholders approval at a general meeting, 2,000,000 options were granted to a Director as part of the Company's incentive scheme at an exercise price of $0.20. All options vested upon granting and can be exercised from the date of issue until 5 July 2015. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

- On 31 December 2012, 700,000 options were granted to employees/consultants as part of the Company's incentive scheme at an exercise price of $0.15. All options vested upon granting and can be exercised from 31 December 2012 until 5 July 2015. The options hold no voting or dividend rights and are non-transferable. At reporting date no options have been exercised.

	2015		**2014**	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Parent Entity				
Outstanding at the beginning of the year	44,700,000	0.16	45,350,000	0.16
Granted	-		-	
Exercised	-		-	
Expired	12,000,000		650,000	
Outstanding at year end	32,700,000	0.17	44,700,000	0.16
Exercisable at year end	32,700,000	0.17	44,700,000	0.16

There were nil options exercised during the year ended 30 June 2015. These options had a weighted average share price of $nil at exercise date. The options outstanding at 30 June 2015 had a weighted average exercise price of $0.17 and a weighted average remaining contractual life of 0.30 year. Exercise prices range from $0.10 to $0.30 in respect of options outstanding at 30 June 2015.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trend, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Options

The movement during the reporting period is the number of options over ordinary shares in South American Iron & Steel Corporation Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Directors	**Balance at beginning of year / date of appointment**	**Granted as compensation**	**Balance at 30 June 2015**	**Vested during the year**	**Vested and exercisable at 30 June 2015**
R Haren	6,000,000	-	6,000,000	-	-
K Lee	6,000,000	-	6,000,000	-	-
T Cuthbertson	6,000,000	-	6,000,000	-	-
W Ji	6,000,000	-	6,000,000	-	-
S Ning	6,000,000	-	6,000,000	-	-

Remuneration levels are set and determined by the Board of Directors. Remuneration packages are based on fixed remuneration and equity based remuneration. Where key management personnel provide services to the Company other than services related to discharging their Director's responsibilities, they are entitled to charge the Company for the commercial value of such services provided.

Note 2.12 of the Directors' Report provide the nature and amount of the elements of key management personnel compensation for the year ended 30 June 2015 as permitted by *Corporations Regulation 2M.3.03.*

(v) Additional information

The Group's projects are all still at the exploration and evaluation stage and as a result, it does not yet have earnings from mining. In view of that, shareholder wealth is based on the market's view of the value of discoveries made to date, the Group's potential for future discovery success, and the quality and experience of its people. This is reflected in market capitalisation, which is also influenced by factors outside the Group's control, such as commodity prices and general market behaviour.

Accordingly, remuneration policy for key management personnel is based primarily on the extent to which the corporate exploration and evaluation objectives are met, recognising that the timeframe for exploration success commonly exceeds one year. Key performance criteria include measuring actual expenditure against budget, the quality and relevance of geological and other scientific or technical work applied, and the selection, management and performance of field staff and outside contractors, such as drilling contractors. Where a project is sufficiently advanced for it to be appropriate, achievement of resource definition goals is also given considerable emphasis, as the market generally values defined resources more than resource potential. This aspect plays a significant role in setting the long term incentive component of remuneration.

(vi) Additional disclosure relating to key management personnel

The relevant interest of each Director in shares and options issued by the Company at the date of this report is as follows:

	South American Iron & Steel Corporation Limited	
	Ordinary Shares	Options
T Cuthbertson	198,307	6,000,000
R Haren	183,703	6,000,000
K Lee[1]	2,276,698	6,000,000
S Ning	-	6,000,000
W Ji (resigned 5 June 2015)	-	6,000,000
D Yu (appointed 25 June 2015)	79,649,000	-

[1]These shares include 300,000 shares acquired under the Company's employee share purchase plan, prior to K Lee's appointment as a Director, and held by Aconcagua SPP Nominees Pty Limited, a nominee company as security for a non-recourse loan.

This concludes the remuneration report, which has been audited.

2.13 Non-Audit Services

During the year Nexia Court & Co, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and by resolution, the Directors of the Company are satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and

- the non-audit services provided do not undermine the general principles relating to auditor independence requirements in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board, as they did not involve reviewing or auditing the auditors own work, acting in a management or decision making capacity, acting as an advocate for the Company or jointly sharing risks and rewards.

The following fees for non-audit services were paid / payable to the external auditors during the year ended 30 June 2015:

	$
Taxation	4,000
Other	-
	4,000

2.14 Auditor's Independence Declaration

The lead auditor's independence declaration required by Section 307C of the Corporations Act is set out on page 19 and forms part of the Directors' report for the year ended 30 June 2015.

2.15 Indemnification and Insurance of Officers and Auditors

Indemnification
Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance Premiums
During the financial year the Group had paid premiums in respect of Directors' and officers' liability insurance contracts for the year ended 30 June 2015. The consolidated entity has not renewed and will not be renew this insurance after the year end.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contracts.

2.16 Unissued shares under Options

The Company has on issue 32,700,000 options which are not listed on the ASX Official List and are not quoted. The exercise price of each option is at various prices and they may be exercised at any time up to 5.00pm Sydney time on those dates set out in the table below.

No of Options	Exercise Price	Date of Expiry
6,666,666	$0.10	5 July 2015
6,666,667	$0.15	5 July 2015
6,666,667	$0.20	5 July 2015
2,000,000	$0.20	14 December 2016
2,000,000	$0.25	14 December 2016
2,000,000	$0.30	14 December 2016 (exercisable from 15 December 2014)
2,000,000	$0.10	5 July 2015
2,000,000	$0.15	5 July 2015
2,000,000	$0.20	5 July 2015
700,000	$0.15	5 July 2015
32,700,000		

Signed in accordance with a resolution of the Directors

Kenneth Lee
Managing Director

Sydney
Dated: 30 September 2015

the next solution

The Board of Directors
South American Iron & Steel Corporation Limited
Suite 2, Level 10
8-10 Loftus Street
SYDNEY NSW 2000

30 September 2015

Dear Board Members

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of South American Iron & Steel Corporation Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Court & Co

Nexia Court & Co
Chartered Accountants

Robert Mayberry
Partner

Sydney
Dated: *30 September 2015*

Sydney Office
Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nexiacourt.com.au, www.nexia.com.au

Independent member of Nexia International

nexia australia

the next solution

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of South American Iron & Steel Corporation Limited, which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 10.2(i), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements of the Group and the Company complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Sydney Office
Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nexiacourt.com.au, www.nexia.com.au

Independent member of Nexia International

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH AMERICAN IRON & STEEL CORPORATION LIMITED

Report on the Financial Report (Continued)

Auditor's Opinion

In our opinion:

(a) the financial report of South American Iron & Steel Corporation Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 10.2(i).

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, attention is drawn to the following matter:

The financial report had been prepared on a going concern basis as discussed in note 10.2 (v) which assumes continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary courses of business. In note 10.2 (v), the Directors state why they consider the going concern basis used in the preparation of the financial report is appropriate. As discussed in that note, if the company does not achieve the planned capital raising there is a material uncertainty that casts significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of South American Iron & Steel Corporation Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001.*

Nexia Court & Co

Nexia Court & Co
Chartered Accountants

Robert Mayberry
Partner

Sydney
Dated: *30 September 2015*

5. DIRECTORS' DECLARATION

The directors of the company declare that:

1. in the directors' opinion, the financial statements and accompanying notes set out on pages 22 to 51 are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and

   (b) give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date;

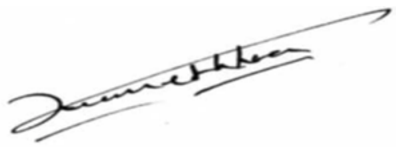
2. note 10.2(i) confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);

3. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

4. the remuneration disclosures included in pages 8 to 15 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the *Corporations Act 2001*; and

5. the directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Kenneth Lee
Managing Director

Sydney
Dated: 30 September 2015

6. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	Group 2015 $	2014 $
Other income	10.5	1,200,045	273,304
Total revenue		1,200,045	273,304
Depreciation	10.6	-	(5)
Impairment loss (concessions)	10.6	-	(9,091,433)
Impairment loss (assets)	10.6	-	(49,520)
Interest Expense	10.6	(13,140)	-
Representative office (Beijing) expenses - administration		-	(41,093)
Representative office (Beijing) expenses – operations		-	(42,428)
Legal Costs – Chile	10.6	(84,698)	-
Administration costs - Chile	10.6	(372,648)	-
Rental expenses	10.6	(165,837)	(162,295)
Other operating expenses		(280,134)	(669,541)
Profit/(Loss) from ordinary activities before income tax expense		283,588	(9,783,011)
Income tax expense	10.8	-	-
Profit/(Loss) for the year		**283,588**	**(9,783,011)**
Other Comprehensive Income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		-	(418,192)
Total Comprehensive Income for the period		**283,588**	**(10,201,203)**
Basic and Diluted earnings per share in cents	10.23	0.001	(0.031)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

7. STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	Group 2015 $	Group 2014 $
Current assets			
Cash and cash equivalents	10.9	96,006	96,251
Trade and other receivables	10.10	1,082,196	24,063
Other assets	10.12	53,240	53,240
Total current assets		**1,231,442**	**173,554**
Non-current assets			
Other assets	10.12	100	42,700
Property, Plant and equipment	10.13	-	179,796
Exploration and evaluation expenditure	10.14	-	-
Total non-current assets		**100**	**222,496**
Total assets		**1,231,542**	**396,050**
Current liabilities			
Trade and other payables	10.15	1,031,639	788,836
Other liabilities	10.16	484,320	400,000
Employee entitlements	10.17	47,031	45,027
Total current liabilities		**1,562,990**	**1,233,863**
Non-current liabilities			
Employee entitlements	10.17	25,624	22,847
Total non-current liabilities		**25,624**	**22,847**
Total liabilities		**1,588,614**	**1,256,710**
Net assets		**(357,072)**	**(860,660)**
Equity			
Contributed equity	10.18	41,274,447	41,054,447
Reserves	10.19	1,167,727	1,167,727
Accumulated losses		(42,799,246)	(43,082,834)
Total equity		**(357,072)**	**(860,660)**

The above statement of financial position should be read in conjunction with the accompanying notes.

8. STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Share Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	**$**	**$**	**$**	**$**
At 1 July 2014	41,054,447	1,651,650	(483,923)	(43,082,834)	(860,660)
Comprehensive Income for the year					
Profit/(Loss) for the period	-	-	-	283,588	283,588
Foreign currency translation differences	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	283,588	283,588
Transactions with Owners					
Share issue (net)	220,000	-	-	-	220,000
Share based payments	-	-	-	-	-
Total Transactions with Owners	220,000	-	-	-	-
At 30 June 2015	41,274,447	1,651,650	(483,923)	(42,799,246)	(357,072)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

8. STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 30 June 2014

	Share Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
At 1 July 2013	41,054,447	1,651,650	(65,731)	(33,299,823)	9,340,543
Comprehensive Income for the year					
Loss for the period	-	-	-	(9,783,011)	(9,783,011)
Foreign currency translation differences	-	-	(418,192)	-	(418,192)
Total Comprehensive Income for the year	-	-	(418,192)	(9,783,011)	(10,201,203)
Transactions with Owners					
Share issue (net)	-	-	-	-	-
Share based payments	-	-	-	-	-
Total Transactions with Owners	-	-	-	-	-
At 30 June 2014	41,054,447	1,651,650	(483,923)	(43,082,834)	(860,660)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

9. STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2015

	Note	Group 2015 $	2014 $
Cash flows from operating activities			
Cash receipts in the course of operations		148,811	132,000
Cash payments in the course of operations		(528,255)	(541,829)
Interest received		2,437	4,441
Net cash from operating activities	10.24(ii)	**(377,007)**	**(405,388)**
Cash flows from investing activities			
Payment for mining rights and exploration costs		(93,394)	(234,132)
Proceeds from sale of prospects		215,976	-
Proceeds from purchase option agreement		-	136,863
Net cash from investing activities		**122,582**	**(97,269)**
Cash flows from financing activities			
Proceeds from share issue (net)		220,000	-
Proceeds from borrowings		103,972	62,226
Repayment of borrowings		(63,606)	-
Payment on interest		(6,186)	-
Net cash from financing activities		**254,180**	**62,226**
Net increase in cash and cash equivalents		**(245)**	**(440,431)**
Cash and cash equivalents at the beginning of the financial year		96,251	536,682
Cash and cash equivalents at the end of the financial year	10.24(i)	**96,006**	**96,251**

The above statement of cash flows should be read in conjunction with the accompanying notes.

10. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

10.1 Reporting Entity

South American Iron & Steel Corporation Limited (the 'Company') is a company incorporated and domiciled in Australia, is a public company limited by shares and is listed on the ASX. The address of the Company's registered office is Level 10, 8-10 Loftus Street, Sydney, NSW 2000.The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and its principal activity is mineral exploration in South America.

10.2 Basis of Preparation

(i) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

The financial statements were approved by the Board of Directors on 30 September 2015.

This report was authorised for issue by the Directors on 30 September 2015. The Company has the power to amend and re-issue the financial report.

(ii) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except were indicated otherwise.

(iii) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Company's functional and presentation currency.

(iv) New and Amended Standards Adopted by the Group

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 'Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets'	The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.
AASB 2014-1 'Amendments to Australian Accounting Standards (Parts A to C)	The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share Based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to required disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 116 'Property, Plant and Equipment and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosures of the fees paid to the management entity.
AASB 1031 'Materiality'	Deletes all the previous Australian guidance in AASB 1031 on materiality, including the quantitative thresholds, and cross references the definition of 'material' to the Framework for the Preparation and Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

(v) Going Concern

The Directors have performed a review of the cash flow forecasts and have considered the cash flow needs of the Company and Consolidated Group, including the ability to reduce the level of cash expenditure if required to do so.

The Group recorded a profit of $283,588 and has a net deficiency in assets of $357,072. The profit was due to profits from the sale of our 10% interest in the Quince Concessions and from the sale of land in Aguas Claras.

Directors have initiated certain actions to ensure that the Company's viability as a going concern. Such actions include:

- The Company has been reviewing new business opportunities and has been seeking additional funding for working capital.
- The Company has instigated a number of cost cutting measures aimed at minimising cash outflows through this transitional phase.
- The Company are expecting to receive $712,737 in monthly instalments over the next year from the sale of their Quince investment.
- The Directors have agreed to suspend key terms of their existing service contracts during this period of austerity, and will not receive remuneration until additional funding has been raised on the back of new opportunities or improved market conditions for juniors.

Consequently, the Directors are of the opinion that the use of the going concern basis of accounting is appropriate.

Should the Company not achieve the planned capital raising detailed above and cash flow from the Quince sale, there is significant uncertainty as to whether the Company will continue to trade as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business as stated in the financial report. The financial report does not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

(vi) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes.

- Note 10.14 – exploration and evaluation expenditure;
- Note 10.17 – employee entitlements.

10.3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(i) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2015 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the 'Group'.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the Company's financial statements, investments in subsidiaries are carried at cost.

The financial statements of controlled entities are included from the date control commences until the date control ceases.

Transactions eliminated on consolidation
Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(ii) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment's operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(iii) Foreign currency transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the Statement of Profit or Loss and Other Comprehensive Income in the financial year in which the exchange rates change.

(iv) Revenue recognition

Revenues are recognised at fair value of the consideration received or receivable.

Interest Revenue
Interest revenue is recognised as it accrues.

Rental Income
Rental income is recognised as it accrues.

Other Income
Income from other sources is recognised when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity.

(v) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which a temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Tax consolidation
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is South American Iron & Steel Corporation Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the ‘separate taxpayer within group’ approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(vi) Acquisitions of assets

All assets acquired including property, plant and equipment are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

Where the fair value of the identifiable net assets acquired, including any liability for restructuring costs, exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated.

(vii) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(viii) Cash and cash equivalents

For statement of cash flows purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(ix) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(x) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Financial instruments not traded in active markets
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Techniques, such as estimated discounted cash flows, are used to determine fair value for the financial instruments.

Trade receivables and payables
The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Share based payments
The fair value of employee share options is measured using a binomial lattice model. The fair value of share appreciation rights is measured using the binomial option pricing model.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on weighted average historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into accounting in determining fair value.

(xi) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation
Land is not depreciated. Depreciation on other assets is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	Depreciation rate		**Depreciation method**
	2015	**2014**	
Plant and equipment	7% - 40%	7% - 40%	Diminishing value

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(xii) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Initial recognition of exploration and evaluation expenditure is at cost. Where a concession is acquired at fair-value it is recognised at that value representing the cost to the Company. Subsequent recognition of expenses remains at cost.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(xiii) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 45 days.

(xiv) Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables and accruals and provisions for employee benefits in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. These liabilities represent present obligations resulting for employee's service provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments
Share-based compensation benefits are provided to employees via the Employee Share Scheme. The fair values of options granted under the scheme are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using the binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

(xv) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(xvi) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(xvii) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO) or, in the case of a foreign entity, from the relevant foreign tax authorities.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.
The net amount of GST recoverable from or payable to, the ATO or from the relevant foreign tax authorities is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO or from the relevant foreign tax authorities are classified as operating cash flows.

(xviii) New standards and interpretations not yet adopted
At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The Group have not yet assessed the impact of the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ‘Financial Instruments’	1 January 2018	30 June 2019

AASB 9 (2014) includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

   i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI)

   ii) The remaining change is presented in profit or loss.

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8.
AASB 15 ‘Revenue from Contracts with Customers’

1 January 2017

30 June 2018

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

a) identify the contract with a customer;
b) identify the separate performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the separate performance obligations in the contract; and
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.

(xix) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is confirmed.

(xx) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

10.4 Financial Risk Management

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to provide working capital for the Group's operations.

The Group has various other financial instruments such as trade debtors, trade creditors, which arise directly from its operations.

The Group's current policy, and has been throughout the period under review, is that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are:

- credit risk;
- liquidity rate risk;
- interest risk;
- foreign currency risk;
- commodity risk; and
- market risk.

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities. The Company and Group, through management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group does not have any significant credit risk exposure to a single counterparty of any group of counterparties having similar characteristics.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days.

Interest rate risk
At balance date the Group's exposure to market risk for changes in interest rates relates primarily to the Company's short-term cash deposits. The Group constantly reviews and analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At balance date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Group	
	2015	**2014**
	$	**$**
Financial Assets		
Cash & cash equivalents	96,006	96,251
Other current financial assets	53,240	53,240
Net exposure	149,246	149,491

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 30 June 2015, if interest rates had moved, with all other variables held constant, post-tax losses and equity would have been affected as follows:

Judgements of reasonable possible movements:		**Group 2015 $**	**Group 2014 $**
Post tax loss			
+1.0% (2014:1.0% (100 basis points))	1%	1,492	1,495
-1.0% (2014:1.0% (100 basis points))	-1%	(1,492)	(1,495)
Equity			
+1.0% (2014:1.0% (100 basis points)	1%	1,492	1,495
-1.0% (2014:1.0% (100 basis points))	-1%	(1,492)	(1,495)

Foreign currency risk
As a result of minerals exploration operations in South America being dominated by the United States Dollar (USD), the Group's statement of financial position can be affected by movements in the USD/AUD exchange rates. The Company does not hedge this exposure.

The Group manages its foreign currency risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained in USD, to meet operational commitments.

At 30 June 2015, the Group had the following exposures to USD foreign currency risk that is not designated in cash flow hedges:

	Group 2015 $	**Group 2014 $**
Net Assets:		
Current assets	1,060,904	65,265
Non-current assets	-	179,796
Current liabilities	(282,232)	(109,121)
Net exposure	778,672	135,940

Judgements of reasonable possible movements:		**Group 2015 $**	**Group 2014 $**
Reserves and equity			
15.0% $A currency gain	15%	116,801	20,391
15.0% $A currency loss	-15%	(116,801)	(20,391)

Commodity risk
The Group's exposure to price risk is minimal as the Group is revising its opportunities beyond the Company's traditional resource sector.

Market risk
Market risk is the risk that changes in market prices will affect the Group's income. The Group's exposure to market risk is minimal as the Group is still in an exploration phase.

Estimation of fair values
The methods used in determining the fair values of financial instruments are discussed in note 10.3(x).

Fair Values

	2015	2015
	Carrying Amount $	**Net Fair Value $**
Financial Assets:		
Cash and cash equivalents	96,006	96,006
Trade and other receivables	1,082,195	1,082,195
Other current financial assets	53,240	53,240
	1,231,441	1,231,441

Fair value sensitivity analysis or fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

10.5 Other Income

	Group 2015 $	2014 $
Interest Received	2,437	4,441
Rent Received	162,000	132,000
Profit on Sale of Land	149,495	-
Profit on Sale of Interest in Quince	886,113	-
Purchase Option Income	-	136,863
	1,200,045	**273,304**

10.6 Expenses

	Group 2015 $	2014 $
Depreciation - plant and equipment	-	5
Staff and directors salaries	152,000	392,000
Staff superannuation	11,285	23,772
Rental expenses	165,837	162,295
Interest expenses	13,140	-
Rehabilitation expenses - Chile	372,648	-
Legal expenses - Chile	84,698	-
Impairment loss on concessions	-	9,091,433
Impairment loss on assets	-	49,520

.

10.7 Auditors' remuneration

	Group	
	2015	**2014**
	$	**$**
Nexia Court & Co		
- Audit services	43,650	56,900
- Other services	4,000	3,987
Humphreys y Cia (auditor of Inversiones Aconcagua Ltda; Inversiones Arenas Claras Ltda; and Inversiones Arenas Maullin Ltda)		
- Audit services	-	8,000

Prior year includes actual audit fees paid/payable.

10.8 Income tax

	Group	
	2015	**2014**
	$	**$**
Numerical reconciliation between tax expense and pre-tax loss		
(Profit)/Loss for the year	(283,588)	9,783,011
Total income tax expense	-	-
(Profit)/Loss excluding income tax expense	(283,588)	9,783,011
Income tax benefit using the company's domestic tax rate of 30% (2014 – 30%)	85,076	(2,934,903)
Amounts not deductible	4,781	2,721,502
Timing differences not brought to account	7,193	19,761
Utilisation of tax losses	(97,050)	-
Tax effect of losses – not recognised	-	193,640
	-	-

Available tax and capital losses to date amount to $15,473,778. As at the date of this report, no deferred tax asset have been recognised as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised. The total deferred tax asset not recognised in relation to tax losses is $4,642,133.

10.9 Cash and cash equivalents

	Group	
	2015	**2014**
	$	**$**
Current		
Cash at bank	96,006	96,251

10.10 Trade and Other Receivables

	Group 2015 $	Group 2014 $
Current		
Employees' loans receivables	323,450	323,450
Less: Impairment loss	(322,850)	(315,950)
	600	7,500
GST – Refundable	3,076	6,788
Sale proceeds from Aqua Claras land	329,291	-
Quince receivables	712,737	-
Other Receivables	36,492	9,775
	1,082,196	**24,063**

10.11 Investments in Controlled Entities

	Class of Share	Group Interest 2015 %	Group Interest 2014 %
Controlled entities			
Clearwater Resources Pty Ltd	Ordinary	100.00	100.00
Aconcagua Iron Sands Pty Ltd	Ordinary	100.00	100.00
South American Iron Sands Pty Ltd	Ordinary	100.00	100.00
Inversiones Aconcagua Ltda	Ordinary	99.95	99.95
Inversiones Arenas Claras Ltda	Ordinary	99.95	99.95
Inversiones Arenas Maullin Ltda	Ordinary	99.95	99.95
Minera Fierro Inca Ecuador S.A.	Ordinary	99.95	99.95
Agroindustrial Ana Julia S.A.	Ordinary	99.95	99.95
SAIS Gold Limited	Ordinary	100.00	100.00

10.12 Other assets

	Group	
	2015	**2014**
	$	**$**
Current		
Deposit - rent guarantee	53,240	53,240
Non-Current		
Investments at cost – Quince concession[1]	-	42,600
Investments at cost – Ample Success Investment Limited[2]	100	100
	100	**42,700**

[1] The investment relates to a 10% interest in the mining concessions of Quince which was sold during the year ended 30 June 2015.

[2] The investment relates to a 15% interest in Ample Success Investment Limited which has a 75% interest in a mining concession in Weishan County, China.

10.13 Property, plant and equipment

	Group	
	2015	**2014**
Non-Current	**$**	**$**
Land	-	179,796
IT software – at cost	57,521	57,521
Less: Accumulated Depreciation	(57,521)	(57,521)
	-	-
Furniture and fittings – at cost	3,723	3,723
Less: Accumulated Depreciation	(3,723)	(3,723)
	-	-
Motor vehicles – at cost	23,233	23,233
Less: Impaired/Accumulated Depreciation	(23,233)	(23,233)
	-	-
Other assets – at cost	41,136	41,136
Less: Accumulated Depreciation	(41,136)	(41,136)
	-	-
Plant and equipment – at cost	43,418	43,418
Less: Impaired /Accumulated depreciation	(43,418)	(43,418)
	-	-
	-	**179,796**

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

30 June 2015

	Land	Motor Vehicles	Other assets	Plant and equipment	Total
	$	$	$	$	$
Carrying amount at beginning of year	179,796	-	-	-	179,796
Additions	-	-	-	-	-
Disposals	(179,796)	-	-	-	(179,796)
Impairment of assets	-	-	-	-	-
Effect on currency movements		-	-	-	-
Depreciation	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

30 June 2014

	Land	Motor Vehicles	Other assets	Plant and equipment	Total
	$	$	$	$	$
Carrying amount at beginning of year	203,692	21,418	5	28,102	253,217
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment of assets	-	(21,418)	-	(28,102)	(49,520)
Effect on currency movements	(23,896)	-	-	-	(23,896)
Depreciation	-	-	(5)	-	(5)
	179,796	**-**	**-**	**-**	**179,796**

10.14 Exploration and evaluation expenditure

	Group	
	2015	**2014**
	$	**$**
Carrying amount at the beginning of the year	-	9,059,707
Expenditure during the year	-	196,039
Effect of currency movements	-	(164,313)
Impairment loss on concessions	-	(9,091,433)
	-	**-**
Mining Concessions	-	-
Exploration costs	-	-
	-	**-**

The ultimate recoupment of costs carried forward for exploration assets is dependent on the successful development and commercial exploration or sale of the respective areas.

10.15 Trade and other payables

	Group 2015	2014
	$	$
Current		
Trade creditors	884,808	634,291
Other creditors and accruals	146,831	154,545
	1,031,639	**788,836**

Included in trade creditors and other creditors and accruals are amounts due to directors in relation to their fees of $526,806.

10.16 Other liabilities

	Group 2015	2014
	$	$
Current		
Loan Instrument – interest bearing	84,320	-
Loan Instrument – non-interest bearing	400,000	400,000
	484,320	400,000

10.17 Employees entitlements

	Group 2015	2014
	$	$
Current	47,031	45,027
Non-current	25,624	22,847
	72,655	**67,874**

10.18 Contributed equity

	The Company and Group		The Company and Group	
	2015	2014	2015	2014
	Shares	Shares	$	$
Share capital				
398,246,886 Ordinary Shares	398,246,886	318,597,886	41,274,447	41,054,447
Capital issued during the year				
Balance at beginning of year	318,597,886	318,597,886	41,054,447	41,054,447
Ordinary shares issued during the year	79,649,000	-	220,000	-
Balance at end of year	**398,246,886**	**318,597,886**	**41,274,447**	**41,054,447**

The Company does not have authorised share capital or par value in respect of its issued shares. All issued shares are fully paid.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders meetings, each ordinary share is entitled to one vote at meetings of the Company.

Capital Management

The Group considers its capital to comprise its ordinary share capital and reserves.

In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs.

In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

There are no externally imposed capital requirements.

10.19 Reserves

	Group	
	2015	**2014**
	$	**$**
Foreign currency reserve		
Balance at 1 July	(483,923)	(65,731)
Foreign exchange movement effect	-	(418,192)
Balance at 30 June	(483,923)	(483,923)
Share based payments reserve		
Balance at 1 July	1,651,650	1,651,650
Share based payments	-	-
Balance at 30 June	1,651,650	1,651,650
Total Reserves	1,167,727	1,167,726

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and subsidiaries.

Share based payments reserve
The share based payments reserve comprises all amounts arising for the grant of options or shares in exchange for services in the consolidated entity.

10.20 Operating Segments

The Group has four reportable segments, as described below, which are the Group's strategic business units.

The following summary describes the operations in each of the Group's reportable segments:

Australia
The Group's headquarters are located in Australia.

Chile
The Chilean entities, Inversiones Aconcagua Limitada; Inversiones Arenas Claras Limitada; and Inversiones Arenas Maullin Limitada are 99.95% owned by South American Iron & Steel Corporation Limited.

Ecuador
The Ecuadorian exploration operation, Minera Fierro Inca Ecuador S.A., formerly known as Minera Aconcagua Ecuador S.A., is 99.95% owned by South American Iron & Steel Corporation Limited.

The Ecuadorian agriculture operation, Agroindustrial Ana Julia S.A., is 99.95% owned by South American Iron & Steel Corporation Limited.

Hong Kong
SAIS Gold Limited was formed to enable the Group to hold investment in Ample Success Investment Limited ("Ample Success"). Ample Success owns 75% of the Yunnan Weishan Mineral Concession. The company has not traded during the financial year and holds no assets.

Information regarding each reportable segment is presented below. The accounting policies of the new reportable segments are the same as the Group's accounting policies.

Comparative segment information has been represented in conformity with the requirement of AASB 8 Operating Segments.

10.20 Operating Segments (continued)

For the year ended 30 June 2015

	Australia		Chile		Ecuador and Hong Kong		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
External revenues	1,048,113	132,000	149,495	136,863	-	-	1,197,608	268,863
Interest revenue	2,437	4,441	-	-	-	-	2,437	4,441
Depreciation	-	5	-	-	-	-	-	5
Impairment	-	-	-	9,140,953	-	-	-	9,140,953
Reportable segment loss/(profit) before income tax	(575,932)	690,574	292,344	9,092,437	-	-	(283,588)	9,783,011
Consolidated loss/(profit) before income tax							283,588	(9,783,011)
Additions to non-current assets	-	-	-	-	-	-	-	-
Reportable segment assets	883,374	216,254	348,167	179,796	-	-	1,231,541	396,050
Reportable segment liabilities	1,306,382	1,147,589	282,232	109,121	-	-	1,588,614	1,256,710

Reconciliation of reportable segment profit or loss	**2015**	**2014**
Total Profit/(loss) for reportable segments	283,588	(9,783,011)
Other loss	-	-
	283,588	(9,783,011)
Elimination of inter-segment profits	-	-
Consolidated Profit/(loss) before income tax	283,588	(9,783,011)

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 30 June 2014.

10.21 Key management personnel disclosures

The key management personnel of the consolidated entity are the Directors and executives of the Company.

(i) Directors

- T Cuthbertson
- R Haren
- K Lee
- S Ning
- D Yu (appointed 25 June 2015)
- W Ji (resigned 5 June 2015)

(ii) Key management personnel compensation

	Group 2015 $	Group 2014 $
Short term employee benefits	75,000	315,000
Post-employment benefits	4,162	16,650
Other long-term benefits	-	(26,092)
Share-based payments	-	-
	79,162	305,558

(iii) Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulations is provided in the remuneration report section of the directors' report.

Apart for the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

(iv) Loans to/from key management personnel

	Group 2015 $	Group 2014 $
Loans to:		
• Mr K Lee under the Employees Share Plan[1]	323,450	323,450
Loans and advances from:		
• Mr K Lee	15,000	37,000
• Mr T Cuthbertson	16,000	-
	31,000	37,000

[1] Kenneth Lee was issued 300,000 shares at $1.078 per share under the Employees Share Plan on 21 May 2008, prior to his appointment as a Director of the Company. He was appointed Director of the Company on 24 March 2009. The $323,450 loan has been impaired to the value of the shares as they are the only recourse to the loan. Impairment expense recognised during the year was $6,900 (2014: $Nil)

10.22 Superannuation commitments

All services provided to the entities in the consolidated entity during the financial year were through incorporated and unincorporated contractual arrangements.

10.23 Earnings per share

	Group	
	2015	**2014**
	$	**$**
Basic and Diluted earnings per share	0.001	(0.031)
(Profit)/Loss for the year	(283,588)	9,783,011
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.	334,091,349	318,597,886

10.24 Notes to the Statement of Cash Flows

(i) Cash

For the purpose of the Statement of Cash Flows, Cash and cash equivalents includes Cash at bank. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Group	
	2015	**2014**
	$	**$**
Cash at bank	96,006	96,251

(ii) Reconciliation of net cash

Reconciliation of loss for the year to net cash from operating activities.

	Group	
	2015	**2014**
	$	**$**
Profit/(Loss) for the year	**283,588**	**(9,783,011)**
Depreciation – plant and equipment	-	5
Foreign exchange differences	-	419,798
Impairment loss - Employees Share Plan	6,900	-
Impairment loss - Concessions	-	9,091,433
Impairment loss – Other assets	-	49,520
Profit on disposal of land	(149,495)	-
Profit on disposal of Quince	(886,113)	-
Interest expense included in financing activities	13,140	-
Changes in Assets and Liabilities:		
Change in other debtors and prepayments	(23,005)	204,672
Change in other payables and accruals	84,320	113,876
Change in trade creditors	288,877	328,855
Change in provisions	4,781	(19,760)
Net cash from operating activities	**(377,007)**	**(405,388)**

10.25 Events subsequent to balance date

In the interval between the end of the financial year and the date of this report the Company issued the Company has received proceeds of $329,291 from the sale of its land held in Aguas Claras. Since the year end, a sophisticated investor has deposited $200,000 into the Company's bank account as part of a $200,000 share placement agreed at 0.3334 cents per share.

10.26 Parent Entity Disclosure

	Parent Entity	
	2015	**2014**
	$	**$**
Financial Position:		
Assets		
Current assets	1,164,515	160,401
Non-current assets	100	42,700
Total assets	**1,164,615**	**203,101**
Liabilities		
Current liabilities	1,280,758	1,124,742
Non-current liabilities	25,624	22,847
Total liabilities	**1,306,382**	**1,147,589**
Equity		
Issued capital	41,274,446	41,054,446
Accumulated losses	(43,067,865)	(43,650,586)
Reserves	1,651,652	1,651,652
Total equity	**(141,767)**	**(944,488)**
Financial Performance:		
(Profit)/Loss for the year	(575,932)	11,797,557
Other comprehensive income	-	-
Total comprehensive (Profit)/loss	**575,932**	**11,797,557**

10.27 Capital and Leasing Commitments:

The Parent Entity did not have any capital commitments at balance date.

Commitments from minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2015 $	2014 $
Within one year	178,488	86,226
Later than one year and no later than five years	92,190	-
	270,678	86,226

The group leases an office building under an operating lease due to expire in 31 December 2016.

10.28 Contingent Asset:

The Company sold its 10% interest in the Quince concessions.

Proceeds in relation to the sale included an option payment from the buyer, an initial payment, and 12 equal monthly instalments. The 12 monthly instalments commenced on 30th April 2015.

Twenty two and a half percent from those proceeds were deducted for taxation to be submitted to the Chilean tax authorities. According to our Chilean tax advisors, those deductions may be claimed from the tax authorities as our Chilean subsidiaries have incurred losses well in excess of the profit from the sale of the Quince concessions.

Those deductions, including from future net proceeds, amount to around US $235,000; and subject to approval of the Chilean tax authorities, the Company will benefit from the tax refund of US $235,000.

A receivable has not been recognised for the expected tax refund from the Chilean tax authorities as the Company is currently unsure of the approval being given.

11. CORPORATE GOVERNANCE STATEMENT

11.1 Introduction

The Australian Stock Exchange ("ASX") Listing Rules ("Listing Rules") require a listed entity to include in its Annual Report a statement on corporate governance practices disclosing the extent to which it has followed the "best practice" corporate governance recommendations set by the ASX Corporate Governance Council. If the entity has not followed any of the recommendations, it must identify them and give reasons why. It must state the period during which the recommendations were followed. For this purpose, Listing Rules Guidance Note 9A sets out the 8 essential corporate governance principles and the applicable "best practice recommendations".

The concept of "*corporate governance*" is the systems, policies and procedures under which an entity is directed and managed. The benefits of good corporate governance are accountability, systems of control and the encouragement to create value.

There is no single model of good corporate governance. Corporate governance will evolve as an entity's circumstances change and must be tailored to its circumstances.

11.2 Compliance with ASX Listing Rule 4.10.3

Listing Rule 4.10.3 and Guidance Note 9A reflect ASX policy that it is "*appropriate to focus on disclosure of corporate governance practices rather than prescribe adoption of a particular practice*". Therefore, an entity's obligation is to highlight areas of departure from the recommendations: the "*if not, why not?*" approach.

11.3 The Company's approach

The Board and senior management of South American Iron & Steel Corporation Limited (the "Company") are committed to acting responsibly, ethically and with high standards of integrity as the Company endeavours to create shareholder value. To achieve this goal, the Board is developing for the adoption of corporate governance practices and policies that are appropriate to the needs of the Company given its size, complexity and ownership structure and the skills of Directors and managers and the geographic locality of the Company’s mining exploration concessions.

The table below summarises the “best practice” recommendations and the Company’s current practice, including explanations in the instances where the Company does not comply.

Recommendation		South American Iron & Steel’s current position
1.1	Establish and disclose the functions reserved to the Board and those delegated to management	Given the present size of the Company, the Board takes an active role in overseeing management functions and responsibilities. The Board is responsible for: ▪ overseeing the performance and activities of the Company through agreed goals and strategy; ▪ assessing performance against Board approved budgets, targets and strategies; ▪ overseeing the management of the Company's business; ▪ overseeing appropriate controls, systems and procedures within the Company to manage the risks of its businesses and compliance with all regulatory and prudential requirements including, without limitation, occupational health and environmental issues; ▪ reviewing matters of general corporate governance; ▪ appointing and removing the Managing Director;

		▪ ratifying the appointment and, where appropriate, the removal of the Company Secretary; ▪ the Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board ▪ monitoring senior Management's performance and implementation of the Board approved strategies, and ensuring appropriate succession planning is in place; ▪ approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures; ▪ approving and monitoring material financial and other reporting; and ▪ setting delegated spending limits. The day to day management is delegated to the Managing Director and the Company's management team.
1.2	Disclose the process for evaluating performance of senior executives.	The performance of senior executives is reviewed annually by the Managing Director who reports the results of the review to the Board.
1.3	Report on recommendation 1	Please refer to the Corporate Governance Statements, Policies and Procedures adopted by the Company, details of which are set out in the Company's website.
2.1	A majority of the Board should be independent Directors	The Board consists of four independent and Non-Executive Directors; and one Executive Director (Chief Executive Officer).
2.2	The chair should be an independent Director	The Company's chairperson, Mr Terry Cuthbertson, is an independent Director.
2.3	The roles of the chair and chief executive officer should not be exercised by the same individual	The Company's chief executive officer is Mr Kenneth Lee who is not the chairperson.
2.4	The Board should establish a nomination committee	The Board has not established a nomination committee as, due to the Company's size and its operations, the Board considers a separately established committee is not warranted and its functions and responsibilities can be adequately and efficiently discharged by the Board as a whole.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual Directors.	The Board has not established and at this stage, does not intend to establish a Nomination and Remuneration Committee, due to the Company's current size and its operations.
2.6	Program for inducting new directors and	The Board has not established and at this stage, due to the Company's current size and its operations.

	provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively	
2.7	Report on recommendation 2	The details of the Directors, their experience, qualifications, term of office, and independent status are set out in the Company's Annual Report. There is a procedure agreed by the Board for Directors to take independent professional advice at the expense of the Company. Other reporting requirements pertaining to recommendation 2 can be found in the Corporate Governance Statements, Policies and Procedures adopted by the Company, details of which are set out in the Company's website.
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: ▪ practices necessary to maintain confidence in the Company's integrity ▪ practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders ▪ the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Board recognises there is a need for a "code of conduct" and expects that the actions of its staff reflect the ethical standards of the Company. Accordingly, the Board has established an appropriate policy. In summary, staff members are under an obligation to the Company not to place themselves or allow themselves to be placed directly or indirectly in a position where their private interests conflict or could conflict with their responsibilities to the Company. They may not use their positions, the Company's assets or confidential information gained in connection with their employment for personal gain or for the benefit of a family member or any outside party.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include	The Company intends to make each staff appointment after consideration of each candidate's qualifications, experience and proven competence, whilst conscientiously avoiding any discrimination on the basis of, but not limited to, race, creed, colour, gender, age, marital status, religion or physical impairment.

	requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	The Company does not have a formal policy concerning diversity. Given the small size of the Company's workforce, the Board has determined that it is not currently practicable to implement a policy concerning diversity. The Board will further consider the establishment of a diversity policy as the Company grows.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The Company has one woman employee. There are two employees at the company at year end. There are no women in senior executive positions or on the board.
3.5	Reporting on Recommendations 3	Details of the code of conduct and trading policy are set out in the Company's website.
4.1	The Board should establish an audit committee	The Board has established an Audit Committee.
4.2	Structure the audit committee so that it consists of only non-executive Directors, a majority of independent Directors, an independent chairperson who is not chairperson of the Board and at least three members	The Audit Committee has three members; two of whom are Non-Executive Directors. The Chairman of the Committee is a Non-Executive Director. Due to the size of the Board an Executive Director currently forms part of this Committee and this will be reviewed in the future.
4.3	Audit Committee to have a formal Charter	At present, the Audit Committee does not have a formal charter and this will be reviewed in the future.
4.4	Reporting on	Given the Board as a whole fulfils the functions and

	recommendation 4	responsibilities of an Audit Committee, the names and qualifications of each of the members of the Board, and details of attendance at Board meetings, are set out in the Company's annual report.
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	The Company is committed to fulfilling all legal, statutory and listing disclosure requirements. Written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations, as well as to ensure accountability at a senior management level for that compliance have been established. In respect of its disclosure policy, at each of its meetings, the Board discusses continuous disclosure issues as a standing item and a list of all recent Company announcements is presented. The procedure adopted by the Company is essentially that any information which may need to be disclosed must be brought to the attention of the Chairman, who in consultation with the Board (where practicable) and any other appropriate personnel will consider the information and whether disclosure is required and prepare an appropriate announcement.
5.2	Reporting on recommendation 5	Please refer to the Corporate Governance Statements, Policies and Procedures adopted by the Company, details of which are set out in the Company's website.
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	In so far as the Company is required to comply with ASX continuous disclosure requirements, the Managing Director (and, in the alternative, the Chairman) has been nominated as the responsible person. The Board reviews and approves all announcements to the ASX.
6.2	Reporting on recommendation 6	Please refer to the Corporate Governance Statements, Policies and Procedures adopted by the Company, details of which are set out in the Company's website.
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board has not established and at this stage, does not intend to establish a Risk Management Committee, due to the Company's size and its operations. At present, the Board regularly reviews the Company's risk management systems and control frameworks, and the effectiveness of their implementation and is in the process of formally establishing a policy for adoption. The Company's reports in writing to the Board that the

		Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. The CFO is also required to report that this statement so made is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Company's CEO and the CFO report in writing to the Board that the statement given is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
7.3	The Board should disclose whether it has received assurance from the CEO (or equivalent) and the CFO (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board has received written assurance from the CEO and the CFO that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
7.4	Reporting on	The Company has provided relevant information in this

	recommendation 7	Statement upon recognising and managing risk.
8.1	The Board should establish a remuneration committee	Given the present size of the Company, the Board as a whole presently meets to consider remuneration issues and will review the need for a remuneration committee as the Company grows.
8.2	The remuneration committee should be structured so that it: ▪ consists of a majority of independent directors ▪ is chaired by an independent director ▪ has at least three members.	Please refer above comments.
8.3	Clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives	Non-executive Directors will be remunerated by cash benefits alone, except where approved by a general meeting of shareholders and will not be provided with retirement benefits (except in exceptional circumstances) and aggregate remuneration will not exceed the amount approved by shareholders (currently $250,000). Executive Directors may be remunerated by both fixed remuneration and equity performance based remuneration.
8.4	Report on recommendation 8	Relevant information can be found in the Corporate Governance Statements, Policies and Procedures adopted by the Company, details of which are set out in the Company's website.

12. SHAREHOLDER INFORMATION

As at 24 September 2015

12.1 Substantial Shareholders

Name	Number of Shares	Percentage of issued shares
DAVID YU INTERNATIONAL PTY LIMITED	79,649,000	20.00%
SUPERIOR GRADE INVESTMENTS LIMITED	51,300,000	12.88%
MR FRANCO BELLI	39,200,000	9.84%
PERSHING AUSTRALIA NOMINEES PTY LIMITED	22,583,075	5.67%
MR ZI MU WANG	20,000,000	5.02%

12.2 Distribution of Fully Paid Ordinary Shares

(i) Distribution schedule of holdings

1 – 1,000	827
1,001 – 5,000	154
5,001 – 10,000	101
10,001 – 100,000	236
100,001 and over	152
Total number of holders	1,470

		No. of holders	No. of Shares
(ii)	Less than marketable parcel of 166,668 shares at $0.003 per share on 24 September 2015	1,354	15,432,165

12.3 Twenty Largest Shareholders

Rank	Name	Number of Shares	Percentage of Issued Shares
1	DAVID YU INTERNATIONAL PTY LIMITED	79,649,000	20.00%
2	SUPERIOR GRADE INVESTMENTS LIMITED	51,300,000	12.88%
3	MR FRANCO STEPHEN BELLI	39,200,000	9.84%
4	PERSHING AUSTRALIA NOMINEES PTY LIMITED	22,583,075	5.67%
5	MR ZI MU WANG	20,000,000	5.02%
6	MS FENGHUA ZHANG	15,000,000	3.77%
7	SHAOBO LIN	12,195,122	3.06%
8	JIAN HU LIN	11,939,111	3.00%
9	PRIDE ANGEL INVESTMENTS LIMITED	11,200,000	2.81%
10	A & F SUPERANNUATION FUND PTY LTD	10,450,000	2.62%
11	ECOMETRIX PTY LTD	8,094,234	2.03%
12	ECOMETRIX PTY LTD	6,496,441	1.63%
13	OCELTIP INVESTMENTS PTY LTD	6,372,150	1.60%
14	ALCARDO INVESTMENTS LIMITED	6,010,476	1.51%
15	GLADDEN TRADE LTD	5,881,097	1.48%
16	ASTRON LIMITED	3,872,500	0.97%
17	TWYNAM AGRICULTURAL GROUP PTY LTD	3,403,598	0.85%
18	MR PHILIP NATHAN ONEILE	3,350,000	0.84%
19	MR WAI KIN YU	3,034,587	0.76%
20	INTERSUISSE NOMINEES PTY LTD	2,981,843	0.75%
		328,013,234	**81.11%**

12.4 Voting rights – ordinary shares

On a show of hands, every member, present in person or by proxy, shall have one vote and upon a poll every member, present in person or by proxy, shall have one vote for each share.

12.5 Summary of mining concessions

Quince Concessions

The Group owns a 15% interest in Ample Success Investment Limited which has a 75% interest in a mining concession in Weishan County, China.