

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

31st October 2014

Dear Sirs

Report on Activities and Appendix 5B - September Quarter 2014

The Company provides the following report on activities for the three month period ended 30th September 2014.

Summary

- Dialogue continuing regarding mining opportunities with the Ecuadorean Government.
- No work was carried out in Weishan County, Yunnan China this quarter.

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 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.

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.

Corporate

During the quarter, the Company has raised \$70,000 through loan notes and the Company is in the process of raising further equity capital.

The Company has appointed advisers to assist in the identification of new business opportunities and the sourcing of additional funding for working.

In addition, the Company has instructed a real estate agent to sell its land located in the Agua Claras region, Chile.

Appendix 5B

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

Yours faithfully,



Kenneth Lee
CEO

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

South American Iron & Steel Corporation Limited

ABN

67 060 319 119

Quarter ended ("current quarter")

September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	34	34
1.2 Payments for (a) exploration and evaluation (b) development (c) trial production (d) administration	(1) - (134)	(1) (134)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(100)	(100)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (Purchase of Option)		
Net investing cash flows	0	0
1.13 Total operating and investing cash flows (carried forward)	(100)	(100)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(100)	(100)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	70	70
1.17	Repayment of borrowings	-	-
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	70	70
	Net (decrease)/increase in cash held	(30)	(30)
1.20	Cash at beginning of quarter/year to date	147	147
1.21	Exchange rate adjustments to item 1.20	5	5
1.22	Cash at end of quarter	122	122

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

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

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

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

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements	-	-
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	13
4.2	Development	
4.3	Production (Trial)	
4.4	Administration	15
Total		28

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	23	70
5.2	Deposits at call	46	24
5.3	Bank overdraft		
5.4	Other – Fixed deposit held for bank guarantees	53	53
Total: cash at end of quarter (item 1.22)		122	147

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	318,597,886	318,597,886		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-		-	-
7.7 Options <i>(description and conversion factor)</i>	Unquoted options		Exercise price	Expiry date
	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
	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
7.8 Issued during quarter				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter	6,000,000 6,000,000	- -	\$0.12 \$0.18	19 October 2014 19 October 2014
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

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



Sign here: Date: 31st October 2014
(Company secretary)

Print name: Kenneth Lee

Notes

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

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