

## ASX ANNOUNCEMENT

**3<sup>rd</sup> July 2017**

### **South American Iron & Steel Corporation Limited signs Share Purchase Agreement with Shareholders of Mulwarra Export Pty Ltd**

South American Iron & Steel Corporation Limited (“SAY”) refers to its announcement dated 29 March 2017 (“**Previous Announcement**”) concerning the acquisition of Mulwarra Export Pty Ltd (“**Mulwarra**”).

SAY is pleased to announce that SAY has entered into a Share Purchase Agreement (“**the Agreement**”) with all of the shareholders of Mulwarra (“**Mulwarra Shareholders**”) pursuant to which SAY will acquire 100% of Mulwarra from Mulwarra Shareholders (“**the Acquisition**”).

Since the Previous Announcement, SAY and the Mulwarra Shareholders engaged in further negotiation and agreed to certain changes to the structure for the Acquisition (as compared to previously announced structure). In particular, in consideration for the Acquisition, the Mulwarra Shareholders are entitled to:

- \$7,300,000 cash consideration;
- \$12,500,000 worth of consideration shares in SAY;
- Up to \$8,760,000 deferred consideration contingent on the Mulwarra Business meeting a FY18 EBITDA forecast of \$5,283,000; and
- a \$3,200,000 pre-completion dividend.

Completion of the Acquisition under the Agreement is subject to satisfaction (or waiver) of a number of conditions, including:

- SAY obtaining all necessary shareholder approvals required in connection to the Acquisition, including SAY shareholders’ approval of the change to nature and scale of SAY’s activities resulting from the Acquisition;
- SAY obtaining all necessary ASX, governmental and regulatory consents and approvals required in connection with the Acquisition;
- SAY complying with any requirements of ASX including, approval to have its shares readmitted to trading on the Official List;
- SAY preparing a prospectus, lodging the prospectus with ASIC and receiving applications to meet the \$8,500,000 minimum subscription; and
- the issue of a report from an independent expert concluding that the Acquisition is in the best interests of the SAY shareholders.

As part of the Acquisition, SAY will undergo a share consolidation prior to being reinstated on the ASX. Details of the consolidation will be determined by the Board.

SAY and Mulwarra Shareholders are in the process of satisfying all the conditions with respect to the Acquisition and expect to complete the Acquisition by 31 October 2017.

### **Compliance with ASX Listing Rules**

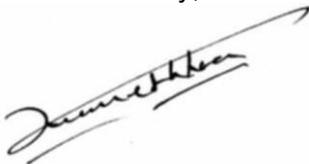
The Proposed Transaction requires security holder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming. SAY is required to re-comply with ASX's requirements for admission and quotation and therefore the Proposed Transaction may not proceed if those requirements are not met. The ASX has absolute discretion in deciding whether or not to re-admit the entity to the official list and to quote its securities and therefore the Proposed Transaction may not proceed if ASX exercises that discretion. Investors should take account of these uncertainties in deciding whether or not to buy or sell the entity's securities.

Listing Rule 3.1 states that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately inform the ASX of that information. SAY confirms it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

The ASX takes no responsibility for the contents of this announcement.

SAY's securities will remain in suspension until such time as SAY provides the market with supplementary information in relation to the Proposed Transaction and the target company or recompliance with Chapters 1 and 2 of the Listing Rules.

Yours faithfully,



Kenneth Lee  
CEO