



22 June 2011

ASX Announcement

ASX Code: SFZ

## Lapse of options on resignation of senior management

Following the announcement of changes to senior management issued on 2 June 2011, Rodrigo Branco, SAFM's prior President of the Brazilian Operations will transition from full time employment with the company on 31 July 2011. Mr Branco played a pivotal role in the licensing of the Ponto Verde Project and in managing the successful commissioning of the plant. SAFM would like to take this opportunity to thank Mr Branco for his valuable contribution and wishes him everything of the best in his future endeavours.

Due to the resignation of both Rodrigo Branco and Flavio Lamberti (COO), the following options have lapsed.

- 2,500,000 shares options in South American Ferro Metals (SAFM), with an exercise price of 36c and an expiry date of 31 December 2015, lapsed upon the resignation of Rodrigo Branco, previous President, Brazilian Operations.
- 1,000,000 shares options in South American Ferro Metals (SAFM), with an exercise price of 37c and an expiry date of 31 December 2015, lapsed upon the resignation of Flavio Lamberti, the Chief Operating Officer.

In terms of the rules of the Incentive Share Option Scheme, a participant's options will lapse and all rights in respect of those options will be lost when the relevant person ceases to be an employee of the Company and the exercise conditions have not been met.

The current number of Shares and Options in SAFM at 22 June 2011 is as follows:

Equity	Number of Shares/Options at 22 June 2011	Number of Shares/Options at 31 March 2011
Ordinary Shares	241,191,749	241,191,749
Class B Performance shares	83,977,967	83,977,967
Class C Performance shares	83,977,967	83,977,967
Listed Options	22,430,879	22,430,879
Unlisted Options	29,500,000	33,000,000

--Ends--



For more information:

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**About South American Ferro Metals:**

South American Ferro Metals Limited owns 100% of the mineral rights and property of the Ponto Verde Iron Ore Project, located in the heart of the Iron Ore Quadrilateral in Brazil, 55 kilometres from the town of Belo Horizonte in the state of Minas Gerais. The Iron Ore Quadrilateral is a prolific iron ore mining area, and the Ponto Verde is located proximate to established mining operations, iron and steel plants and existing infrastructure.

Website: [www.safml.com](http://www.safml.com)