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ASX / Media Announcement

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## **One Year of Production Achieved at Ponto Verde; No Accidents Recorded**

- **First 12 months of iron ore production completed**
- **No accidents or environmental incidents during the first year of production**
- **Move to full licensed production capacity from September 2011**

South American Ferro Metals Limited (ASX: SFZ) (“SAFM” or the “Company”), the only ASX-listed pure play iron ore producer in Brazil, is pleased to announce that it has completed one year of operations at its Ponto Verde Iron Ore Project in Brazil, without any accidents or health and safety incidents. A year’s operation without accident or incident is a significant achievement for the company.

Iron ore production from Ponto Verde has steadily increased over the past year, with a third shift initiated on 1 September 2011 to allow the project to move to its full licensed production capacity of 1.5 million metric tons a year. Production from the mine began in November 2010 under an agreement with local contractor LGA to produce ROM (Run Of Mine) ore for sale.

SAFM Chief Executive Officer Philip Hopkins said:

“I’d like to thank our Leadership Team in Australia and Brazil for a successful first year of operations at the Ponto Verde Iron Ore Project. Safe, sustainable production is the result of individual commitment and is a key objective for SAFM. We are delighted to have achieved this milestone with no accidents or incidents taking place.”





For more information:

<b>South American Ferro Metals (SAFM)</b>	<b>MAGNUS Investor Relations + Corporate Communication</b>
Philip Hopkins, CEO	Dudley White/Stephanie Sim
+61 459 025 255	+61 2 8999 1010

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**About South American Ferro Metals:**

South American Ferro Metals Limited owns 100% of the producing Ponto Verde Iron Ore Project 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 Project is located proximate to established mining operations, iron and steel plants and existing infrastructure.