

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

SOUTH AMERICAN FERRO METALS LIMITED
27 128 806 977

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Stephen Fabian
Date of last notice	3 November 2011

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct and Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Massif Limited. Massif Limited is wholly owned by a trust in which Mr Fabian has an interest.
Date of change	23 December 2011
No. of securities held prior to change	Indirect: 33,449,103 Ordinary shares (listed) - held by Massif Limited 11,149,701 Class B Performance shares (unlisted) - held by Massif Limited Direct: 2,500,000 Options (unlisted) exercisable at \$0.36 on or before the 31 December 2015, subject to vesting and exercise conditions (as per notice of General Meeting dated 19 January 2011) – held directly by Stephen Fabian
Class	As above

+ See chapter 19 for defined terms.

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Number acquired	11,149,701 Ordinary shares
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Nil
No. of securities held after change	Indirect: 44,598,804 Ordinary shares (listed) - held by Massif Limited Direct: 2,500,000 Options (unlisted) exercisable at \$0.36 on or before the 31 December 2015, subject to vesting and exercise conditions (as per notice of General Meeting dated 19 January 2011) – held directly by Stephen Fabian
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Class B Performance shares converted to Ordinary Shares based upon achievement of the milestone.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A

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Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺ closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.