

3 March 2011

ASX Announcement

ASX Code: SFZ

Flavio Lamberti Appointed Chief Operating Officer

South American Ferro Metals Limited (ASX: SFZ) ("SAFM") announces the appointment of Flavio Lamberti as Chief Operating Officer, effective 1 March 2011. This is an important appointment to bolster the operational and in-country experience of the SAFM management team.

Mr Lamberti is a mining engineer with more than 20 years experience in underground and open pit operations, working in South Africa and South America. He joins SAFM from Colomi Iron Mineracao Ltda, which is exploring for world class deposits in Bahia state, where he was Country Manager (Brazil) for the past four years. His career also includes eight years at Jacobina Mineracao e Comercio Ltda in various roles, most recently Project and Mine Manager from 2004 to 2007, and Mine Manager at Dow Brasil Nordeste Ltda from 1998 to 2004.

Mr Lamberti takes up the operations management role at SAFM's producing Ponto Verde Iron Ore Project within Brazil's Iron Ore Quadrilateral. Mr Lamberti will report to SAFM Managing Director Stephen Fabian and be responsible for day-to-day operations at Ponto Verde, working closely with SAFM Brazil, President Rodrigo Branco, who is responsible for sales and corporate.

SAFM Chairman Terrence Willsted said: "On behalf of the Board, we are delighted to welcome Mr Lamberti to SAFM. His appointment augments our strong management team which has a proven track record and vital experience of working in Brazil. Mr Lamberti brings a tremendous array of skills, knowledge and experience to the SAFM team and we look forward to his contribution as we ramp up production and progress our plans to expand at Ponto Verde."

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For more information:

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About South American Ferro Metals:

South American Ferro Metals Limited owns 100% of the mineral rights and the property 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, Southern Brazil. 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.