



26 October 2012

ASX Announcement

ASX Code: SFZ

CLARIFICATION REGARDING NOTICE OF ANNUAL GENERAL MEETING

South American Ferro Metals Limited (ASX:SFZ) (“SAFM”) provides the following clarifications regarding the Notice of Annual General Meeting and Annual Report which were released to ASX on 24 October 2012:

- The Notice of Annual General Meeting and Annual Report were dispatched to shareholders by mail on 17 October 2012 and the Annual general meeting will be held on 16 November 2012.
- The Chairman, Mr Terence Willsteed, has an interest in Resolution 9 dealing with approval of the issue of options to Paternat Pty Limited, as trustee of the superannuation fund associated with Mr Willsteed, even though this was not specifically noted in the proxy form sent with the Notice of Annual General Meeting. Therefore, Mr Willsteed as Chairman of that meeting will not be voting any undirected proxies granted to him in respect of Resolution 9.
- Resolution 11 seeks shareholder approval to give SAFM the ability to utilise an additional 10% placement capacity under Listing 7.1A. Currently the Company has not determined if and when it would utilise this additional capacity or the specific purpose for which funds would be used. However, to the extent that any such funds are raised, SAFM may use the funds to fund its Ponto Verde iron ore project in Brazil or for working capital or other corporate purposes.

--Ends--

For more information:

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About South American Ferro Metals Limited:

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 Project is located proximate to established mining operations, iron and steel plants and existing infrastructure.

Website: www.safml.com