

28 May 2012

ASX / Media Announcement

ASX Code: SFZ

RESIGNATION OF DIRECTORS

South American Ferro Metals Limited (ASX: SFZ) ("SAFM" or "the company"), announces the resignation of Mr Paul Lloyd and Mr Philip Re as Non-Executive Directors of the company, effective 31st May 2012.

The Board wishes Mr Lloyd and Mr Re the very best for the future and thanks them for their service and assistance to SAFM through the relisting of the company in November 2010 and the establishment of SAFM as a successful ASX-listed Brazilian iron ore producer.

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For more information:

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

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, 35 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.

Website: www.safml.com