

South American Ferro Metals

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South American Ferro Metals makes initial profit at Ponto Verde Iro Ore Project

South American Ferro Metals (ASX: SFZ) struck its first month of positive cash flows and a \$500,000 profit as production continues to improve at its Ponto Verde Iron Ore Project in Minas Ferreis state, Brazil.

To date, the company is the only Australian listed pure play iron ore producer in Brazil.

Contracts for concentrator construction are being finalised and the project is on track for start up in early calendar 2012.

The company will now focus on operational enhancements and a resource definition program is on target for completion in the fourth quarter of calendar 2011.

The company owns 100% of the mineral rights and the property located in the heart of the Iron Ore Quadrilateral in Brazil, 55 kilometres from the city 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.

In November 2010, the company commenced ore production and is currently selling its product to local steel producers in Brazil.

The company is undertaking further drilling to confirm mineralised areas as JORC resources and to expand the exploration target base (ore body is open at depth).

Production is continuing to ramp up to the permitted 1.5 million tonnes per year by the end of 2011.

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Share Information

Code: SFZ

Listing: ASX

Sector: General mining & base metals

Website: www.safml.com

Company Synopsis:

South American Ferro Metals (ASX:SFZ) is the only ASX-listed pure play iron ore producer operating in Brazil. The company owns 100% of the mineral rights and the property located in the heart of the Iron Ore Quadrilateral in Brazil, a prolific iron ore mining area.

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