

**CEO  
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## **Santa Fe Gold Is Nearing Production On The First Of Two Gold And Silver Projects In New Mexico**

**Mining  
Precious Metals  
(SFEG-OTC: BB)**

**Santa Fe Gold Corporation**

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**Dr. W. Pierce Carson, PhD  
President and CEO, Director**

**BIO:** Dr. W. Pierce Carson has had an accomplished international mining career spanning 38 years with extensive experience in directing exploration, development and mining of base metals, precious metals and industrial minerals and in administering public companies. Previous to joining Santa Fe Gold in 2003, he served with distinction in a variety of roles at Exxon Minerals, Kennecott Copper and Nord Pacific Ltd. Dr. Carson holds a PhD in Economic and Structural Geology and an MS in Ore Deposits from Stanford University, and a Bachelors Degree in Geology from Princeton University.

### **Company Profile:**

Santa Fe Gold Corp (OTCBB: SFEG) is a U.S.-based mining and exploration enterprise focused on acquiring and developing gold, silver and copper properties. The company owns the Summit silver-gold mine and Banner flotation mill in southwestern New Mexico; mineral lease rights to the Ortiz gold property in north-central New Mexico, believed to contain two million ounces of gold; the Pilar gold exploration property in Sonora State, Mexico; the Black Canyon mica resource and processing equipment near Phoenix, Arizona; and a large resource of micaceous iron oxide (MIO) in western Arizona. Santa Fe Gold intends to build a portfolio of high-quality, diversified mineral assets with an emphasis on precious metals.

**Interview conducted by:  
Lynn Fosse, Senior Editor**

**CEOCFO:** Dr. Carson, what is the vision for Santa Fe Gold?

**Dr. Carson:** "Santa Fe Gold is a mining exploration company focused on precious metals and is in a period of transition from exploration to production. We have two high quality precious metals projects here in New Mexico and are completing construction and nearing production on one of them, the Summit silver-gold mine. We plan to use cash flow from operations to help develop our second, larger mine, and to make additional acquisitions. Starting with these precious metals projects, our vision is to build a much larger company, based on cash flow from producing mines and with a portfolio of development and exploration properties in the pipeline. The current investment climate in relation to the precious metals markets provides a favorable setting in

which to accomplish our goals and to create value for our shareholders."

**CEOCFO:** Where are you in the development process?

**Dr. Carson:** "We are nearing completion of construction of our Summit mine, which will be a new silver-gold mine located in southwestern New Mexico. The mine is being developed as an underground mine on an epithermal vein deposit. For the past several months, we have been mining and stockpiling ore in connection with mine development. Ore from the mine is transported to our Banner mill located in Lordsburg, New Mexico, where a marketable gold-silver concentrate will be produced. The mill is fully operational and will begin processing ore upon completion of the tailings dam impoundment currently under construction. We anticipate the project will achieve commercial production in 2010.

**CEOCFO:** Given all the activity in the mining industry, is it difficult to get the personnel and the contractors and the equipment that you need?

**Dr. Carson:** "When we began construction in 2008, people and equipment were in short supply. However, the downturn in the economy in late 2008 took the pressure off. We have been fortunate in obtaining first rate personnel and contractors who are familiar with operations in southwestern New Mexico. Currently we employ 28 people at the Summit mine and Banner mill. That number will increase to about 42 when the mine is in full production. As it has turned out, the availability of personnel, contractors and equipment has not been a big problem."

**CEOCFO:** Is New Mexico friendly towards the mining industry?

**Dr. Carson:** “Yes, generally it is. The southwestern part of the state where we are establishing our first mine, the Summit mine, is active mining country. Freeport-McMoRan, which is a large copper producing company, operates several copper mines in southwestern New Mexico and southeastern Arizona. There are a number of historic mining districts in the region that have been significant base metals and precious metals producers. We have had nothing but support from the local communities. Mining provides jobs and is important to the local economy, and also is part of the region’s heritage.”

**CEOCFO:** Please tell us about the property and the potential?

**Dr. Carson:** “The Summit resource has attractive grades in silver and gold. We are mining the ore by underground methods and truck the ore to the Banner mill for processing. Economics of the project are sensitive to silver and gold prices, but at the current prices, we expect the project to have excellent operating margins and produce substantial cash flows. The resource is sufficient for an initial seven to ten years of mining. So we have enough there to get established and to operate for many years. We also have targeted additional ground for acquisition and think there is good upside exploration potential in the Summit area. Also, once the Banner mill in Lordsburg begins operations, we expect to be able to bring in additional ore from other districts within trucking distance of the mill. Santa Fe Gold is the only company in the area to have a milling operation of this type, which we believe will generate a lot of opportunities.”

**CEOCFO:** Are there new technologies that you are able to take advantage of in the mining process?

**Dr. Carson:** “Yes, both the mining and the processing will use modern, state of the art “best practice” techniques to enhance safety and minimize environmental effects. Other than that, the methods we

will be using for both mining and processing are well know and proven and do not involve significant technical risk. On the exploration side, we will be using some sophisticated advanced techniques, both geophysical and geochemical.”

**CEOCFO:** Please tell us about the Ortiz gold project.

**Dr. Carson:** “The Ortiz project is in the north central part of New Mexico about 30 miles northeast of Albuquerque. We have a very large property position there, covering 66 square miles. Historically the Ortiz property was the focus of a lot of work. In the 1980’s and early 1990’s, about \$40 million was expended including 380,000 feet of drilling. That work identified very significant gold resources totaling about two million ounces. We have carried out open pit designs on a portion of those resources and concluded

**“Santa Fe Gold has quality management, quality precious metals projects and near-term production. These are the ingredients for success and will drive appreciation in the company’s market value.” - Dr. W. Pierce Carson, CEO.**

that mine development would be economically attractive and that the mine would be capable of producing gold at a relatively low operating cost per ounce. We intend to develop the Ortiz mine following development of our Summit mine, the timing partly dependent upon the permitting process. The Ortiz property is a very significant asset for a company of our size. In addition to substantial cash flows from mining, the large area under our control has the advantage of promising exploration potential for additional significant discoveries.”

**CEOCFO:** You have many years expertise in mining, why do you like the area you are in, why have you chosen it to work in?

**Dr. Carson:** “There are a number of answers to that question. First, we feel that New Mexico is under explored compared to some of the other states such as Nevada which produces a lot of gold. Projects in New Mexico also happen to be in

our backyard, so we are able more easily to handle the management and logistics as compared, for example, to going down to South America. We may want to go further afield as we grow as a company but at least to start with, focusing on projects close to home is an expedient way for us to quickly achieve production, generate cash flow and use that to build a base upon which to expand.”

**CEOCFO:** There are many companies in the mining sector, why should investors look at Santa Fe Gold, what sets you apart?

**Dr. Carson:** “Santa Fe Gold has several attributes to offer investors. One of the most important is the quality of our management. We are a small group but very experienced and have “done it before”, in fact many times, by successfully taking projects all the way from exploration through development and operation. Secondly, we have high quality projects. Both the Summit and Ortiz projects have significant established resources and with respect to operating costs, both are estimated to fall low on the cost curve of gold mines worldwide. Thirdly, we have formulated and are executing a winning business model. We are on track to achieve production in the near term, which is unusual for a junior exploration company. Of course, exploration and additional acquisitions also are an important part of our future, but we believe becoming a real operating company with cash flow will set us apart and help lead to long term success. As we begin production and continue to accomplish our goals, we believe the market will give us greater recognition, to the benefit of our shareholders.”

**CEOCFO:** Final thoughts, what should people remember about Santa Fe Gold?

**Dr. Carson:** “Santa Fe Gold has quality management, quality precious metals projects and near-term production. These are the ingredients for success and will drive appreciation in the company’s market value.”