



SANTA FE

GOLD CORP

1128 Pennsylvania NE, Suite 200

Albuquerque, New Mexico 87110
Tel: (505) 255-4852

www.santafegoldcorp.com

Santa Fe Gold Closes Purchase of Crushing Equipment and Real Property at Summit Silver-Gold Project

ALBUQUERQUE, N.M. – July 1, 2008 – Santa Fe Gold Corp (OTC Bulletin Board: SFEG), a U.S.-based mining and exploration enterprise focused on gold, silver, copper and industrial minerals, today announced that it had completed the purchase of crushing equipment and real property at its Banner Mill site near Lordsburg, New Mexico. The price paid was \$841,500. On June 3, 2008, the Company announced that it had entered into a definitive agreement with St. Cloud Mining Company to purchase the assets and that closing was targeted for June 30, 2008.

The equipment purchased constitutes key remaining components required for the Banner Mill, where construction of a processing facility is underway. The equipment includes a crushing and screening plant and a feeding and conveying system. Previously, the company acquired the ball mill and flotation sections of the processing plant.

The real property purchased consists of 70 patented and 5 unpatented mining claims, and assignments of mineral leases covering 17 patented and 6 unpatented mining claims. These mining claims and mineral leases consolidate the company's property holdings in the Virginia Mining district, where the company now controls approximately 1,500 acres (2.3 square miles) comprising the core of the district.

Dr. Pierce Carson, CEO, said, "Historic production of copper, gold and silver from the Virginia Mining District was substantial, and at today's metal prices would represent a value of over \$1.0 billion. The company intends to explore the district in line with its long term strategy of

developing sources of ore in the Lordsburg region that would add to the production from its Summit silver-gold deposit.”

Additional information about the transaction may be found in the company’s 8-K filing with the SEC, available through the company’s website.

About Santa Fe Gold Corp:

Santa Fe Gold Corp (OTCBB: SFEG) is a U.S.-based mining and exploration enterprise focused on acquiring and developing gold, silver, copper and industrial mineral properties. The company owns the Summit silver-gold property and a mill site and processing equipment 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 Black Canyon mica mine and processing facility 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. To learn more about the company, visit www.santafegoldcorp.com.

Forward Looking Statements:

The information contained herein regarding risks and uncertainties, which may differ materially from those set forth in these statements, in addition to the economic, competitive, governmental, technological and other factors, constitutes a "forward-looking statement" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995 and is subject to the safe harbors created thereby. While the company believes that the assumptions underlying such forward-looking information are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking information will prove to be accurate. Accordingly, there may be differences between the actual results and the predicted results, and actual results may be materially higher or lower than those indicated in the forward-looking information contained herein.

Contact:

Pierce Carson
1-505-255-4852