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## **Santa Fe Gold Options Pilar Gold Exploration Property, Sonora, Mexico**

**ALBUQUERQUE, N.M. – June 15, 2009 – 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 its Mexican subsidiary had entered into a purchase option contract on the Pilar Gold Property consisting of two mineral exploitation concessions located 165 kilometers east-southeast of Hermosillo, Sonora State, Mexico. The company believes that this advanced exploration property shows promising potential for discovery of an economic gold deposit, based on previous drilling that returned encouraging gold intersections.

“Drilling on the property in 1996 identified at least four parallel structures that carry potentially economic grades”, said Dr. Pierce Carson, President and CEO. “Drill holes designed to test near-surface targets were reported to have intersected from 1.0 to 10.0 grams/tonne gold over widths ranging up to 25 meters. The best hole, an angle hole, was reported to have intersected 16.5 meters of high grade gold mineralization averaging 53.05 grams/tonne. Mineralization in that hole was described as beginning 45 meters below surface and was reported to represent 15.5 meters true width across structure.

“These are exciting results, and we intend to follow them up with additional surface work, geophysics and drilling. We believe the property has excellent potential for discovery of an open pit minable gold deposit, with speculative deeper potential.”

The prime target for gold mineralization at Pilar is associated with Cretaceous andesites and silicified rhyolites along a northwest trending ridge exhibiting 100 to 200 meters of local relief and extending 1,200 meters along strike and 625 meters in width. In 1996 the ridge was extensively trenched and received approximately 6,000 meters of drilling by a junior Canadian company. The drilling showed that gold appears to be controlled by a number of steeply dipping structures with dissemination of values into the wall rock.

Pilar is within a mineral belt that includes the La Colorado (260,000 ounces) to the west and the Mulatos gold mine (2.7 million ounces) to the north and east, in or near the Sierra Madre mountain complex. The Sonoran Province also holds the La Heradura gold mine, the largest gold mine in Mexico (owned by Penoles and Newmont); the San Francisco gold mine; and the Chanate gold mine. These are all significant open pit operations. Average grades are in the range 0.6 - 1.2 grams/tonne gold.

Minera Sandia S.A. de C.V., the company’s wholly owned subsidiary, entered into the option purchase contract with Minera de Suaqui Grande, S. de R.L. de C.V. The Pilar property consists

of the La Sonora and Guadalupana exploitation concessions, which cover 100 hectares. The contract provides for option payments of \$1,000 upon signing, \$99,000 on March 13, 2010, and \$125,000 on March 13, 2011. The last payment of \$1,307,000 is due March 13, 2012, and would complete the purchase. In connection with the acquisition, the company also has agreed to issue 117,000 restricted shares of its common stock to Minera de Suaqui Grande, S. de R.L. de C.V. and within 60 days to pay creditors \$11,150 in cash and \$17,400 in restricted common stock. The company also has agreed to pay finder's fees of \$15,000 in cash and 25,000 in restricted common stock, and to match option and purchase payments when they become due by payments either in cash or in restricted common stock. The company is not required to pay any residual royalty payments under the agreements.

**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 mine and Banner mill, and patented claims over the historic Lordsburg mining district, 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](http://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.

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