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SANTA FE GOLD NEARING PRODUCTION OF GOLD AND SILVER AT SUMMIT PROJECT

ALBUQUERQUE, N.M. – December 7, 2009 – Santa Fe Gold Corporation (OTCBB: SFEG) today announced that construction is nearing completion of the tailings disposal impoundment at its Banner mill located near Lordsburg, New Mexico. The company expects to complete the tailings impoundment during December and to begin processing operations shortly thereafter. The project is anticipated to achieve commercial production in 2010.

“With the tailings impoundment almost completed, we are moving full speed ahead in executing our plan to begin processing ore from the Summit mine,” said Pierce Carson, President and Chief Executive Officer. “Crushed ore has been loaded on the fine ore pad ready for processing.”

Except for the tailings disposal impoundment, Santa Fe completed construction of the Banner mill in the second quarter of 2009. In October 2009, a permit was received that allowed construction of the tailings impoundment to proceed.

The Summit mine is an underground silver-gold mine being developed on an epithermal vein deposit. For the past several months, in connection with mine development, Santa Fe has been mining and stockpiling ore. Ore from the Summit mine is transported to the company’s Banner mill, where a marketable gold-silver concentrate will be produced. The mill is fully operational and will begin processing ore upon completion of construction of the tailings disposal impoundment and receipt of a final operating permit related to the impoundment.

About Santa Fe Gold:

Santa Fe is a U.S.-based mining and exploration enterprise focused on acquiring and developing gold, silver, copper and industrial mineral properties. Santa Fe controls: (i) the Summit mine and Banner mill in southwestern New Mexico; (ii) the Ortiz gold property in north-central New Mexico (estimated to contain two million ounces of gold); (iii) the Pilar gold exploration project in Sonora, Mexico; (iv) the Black Canyon mica mine and processing facility near Phoenix, Arizona; and (v) a large resource of micaceous iron oxide (MIO) in western Arizona. Santa Fe intends to build a portfolio of high-quality, diversified mineral assets with an emphasis on precious metals.

To learn more about Santa Fe, 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 Santa Fe 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 any of those indicated in the forward-looking information contained herein.

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