



1128 Pennsylvania NE, Suite 200, Albuquerque, New Mexico 87110 | Tel: 505-255-4852 | [www.santafegoldcorp.com](http://www.santafegoldcorp.com)

## **SANTA FE GOLD BEGINS SUMMIT SILVER-GOLD PROCESSING OPERATIONS AT ITS LORDSBURG MILL, NEW MEXICO**

**ALBUQUERQUE, N.M. – March 25, 2010 – Santa Fe Gold Corporation (OTCBB: SFEG)**, a U.S. based mining and exploration enterprise focused on acquiring and developing precious metals and industrial minerals properties, today announced it had received a license from the New Mexico Office of State Engineer to begin processing operations at its flotation mill near Lordsburg, NM. The company plans to begin immediately to treat ore from its Summit silver-gold mine and to produce a high value marketable precious metals concentrate. Over the next twelve months, the company plans to ramp up production from the mine to a rate of approximately 120,000 tons of ore per year. At full production and at current metal prices, gross revenues are projected to exceed \$25 million annually. Mine life is estimated up to ten years.

“The start-up of processing operations is a tremendous milestone for Santa Fe Gold that we believe will generate significant revenue and provide an important basis for future company growth”, said Pierce Carson, President and Chief Executive Officer. “We believe Summit’s attractive silver and gold grades together with favorable mining conditions will result in relatively low operating costs and attractive operating margins, especially at current metal prices.”

Carson said recent discussions with smelters have confirmed Summit concentrate will be readily marketable. The company also is exploring other potential marketing outlets for its concentrate, with the objective of maximizing economic returns. The company has not yet received the results from a trial shipment of 3,000 tons of high-silica flux material to an Arizona smelter, announced February 10, 2010.

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 Gold has been mining and stockpiling ore. Ore from the Summit mine is transported to the company’s Lordsburg mill, where a marketable gold-silver concentrate will be produced. The mill is fully operational and will begin processing ore immediately now that an operating license related to the tailings disposal impoundment has been received.

Santa Fe Gold raised \$10 million in January 2010 through a registered direct offering to institutional investors. In addition to providing working capital, these funds will allow the company to pursue acquisition of additional feed sources for expansion of the Lordsburg mill, advance the Ortiz gold project and consider acquisition opportunities.

### **About Santa Fe Gold:**

Santa Fe Gold 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 Lordsburg 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 Black Canyon mica mine and processing facility near Phoenix, Arizona; and (iv) 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 Santa Fe Gold, 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 Santa Fe Gold 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.

**Contact:**

W. Pierce Carson, President and Chief Executive Officer  
1-505-255-4852