



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

## **SANTA FE GOLD COMMISSIONS LORDSBURG MILL AND PREPARES TO RAMP UP PRODUCTION FROM SUMMIT SILVER-GOLD MINE**

**ALBUQUERQUE, N.M. – June 10, 2010 – Santa Fe Gold Corporation (OTCBB: SFEG)** is pleased to announce that commissioning of its Lordsburg flotation mill is nearing completion and that it is preparing to increase production rates of gold and silver ore from its Summit mine. The mill is consistently producing high quality gold and silver concentrates. The company began commissioning of the mill located in Lordsburg, New Mexico on March 25, 2010.

The Summit mine is an underground gold-silver 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 is produced. The mill is fully operational and will process increasing quantities of ore as mining ramps up to a planned production rate of 120,000 tons of ore per year.

"Commissioning of the mill has gone very well and is nearing completion", said Pierce Carson, President and Chief Executive Officer. "Over the past month we have continued, as planned, to process low grade ore at the rate of 150 tons per day, operating on a one-shift basis, five days a week. Based on the continuous hourly throughput rate we are achieving, we have demonstrated that the mill will process ore at the planned production rate. Over the next several months we will be ramping up production levels to the rate of 400 tons per day (120,000 tons per year) and will operate the mill on the basis of two shifts per day, seven days a week. As production ramps up, we also plan to process increasingly higher grades of gold and silver from the Summit mine.

"We have continued to produce high quality concentrates averaging around 10 ounces/ton gold and 600 ounces/ton silver that contain no significant deleterious elements. These high grade concentrates have been produced from low grade ore. The concentration ratio of metals (from the ore into the concentrates) has averaged significantly higher than originally expected. This means that we are recovering the silver and gold in a relatively small number of tons of concentrate, which will result in minimizing both transport costs of the concentrates to the smelter and smelter charges thereby increasing our net bottom line profits."

The company is currently stockpiling concentrates and is in discussions with three smelters for the purchase of its concentrates, with the objective of achieving the best possible price. Sale of concentrates is planned to begin immediately upon finalizing a sales contract, which is estimated to be completed during July or August 2010.

Freeport-McMoRan Miami Inc. ("FM Miami"), an Arizona smelter, has completed the processing of a trial shipment of 3,000 tons of high-silica flux material shipped earlier this year. Santa Fe Gold shortly expects to be able to advance contract discussions relating to sale of additional flux material.

With this successful trial and the completion of a suitable flux agreement, sales of flux material will provide an additional outlet for the Summit ore; this is in addition to sales of the Lordsburg mill concentrates. The company has received payment of \$297,000 comprising the majority of the amount to be received for the trial shipment of flux material, which in total is estimated to approximate \$310,000.

On related matters, Santa Fe Gold reported that it was actively seeking and evaluating additional sources of ore, using the excess capacity at the Lordsburg mill; when completed, it will add to Santa Fe Gold's bottom line. The company also has initiated an exploration program on its Lordsburg ground holdings totalling 2.3 square miles comprising the core of the Virginia Mining District. The district historically produced over \$1.0 billion in copper, gold and silver at today's metal prices.

At the Ortiz gold project, which contains a historic drilled gold resource of 2.0 million ounces, Santa Fe Gold reported it was beginning work focused on technical and environmental studies necessary to apply for operating permits. The company has engaged Gochnour & Associates, Inc., an experienced and respected environmental consulting firm, to help manage the required environmental studies.

Carson stated, "Gold and silver prices are at record levels and this is a great time to be bringing a new mine into production. We see the remainder of 2010 as one of building shareholder value as we ramp up production, generate increasing cash flows, add to our resource base through exploration and acquisition, and accelerate development of our second and largest mine, the exceptional Ortiz gold deposit."

**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