



1128 Pennsylvania NE, Suite 200, Albuquerque, New Mexico 87110 | Tel: 505-255-4852 | www.santafegoldcorp.com

Santa Fe Gold Supplies Additional Siliceous Flux to Arizona Smelter for Precious Metals Recovery

By Business Wire

Last Updated: 09/01 10:24AM

ALBUQUERQUE, N.M.--

Santa Fe Gold Corporation (OTCBB: SFEG) is pleased to announce it will supply an additional 3,000 to 6,000 tons of trial siliceous flux material to Freeport–McMoRan Miami Inc. (“FM Miami”), a wholly owned subsidiary of Freeport–McMoRan Copper & Gold Inc. Santa Fe previously provided FM Miami with 3,000 tons of similar material earlier this year. The flux material will be processed for precious metals recovery. Santa Fe will be paid for the contained silver and gold. The net will be less customary charges.

The siliceous flux constitutes ore from the Summit mine upgraded in silica and precious metals contents. FM Miami uses siliceous flux in the smelting of copper ores.

“We are hopeful that this trial will lead to a long term contract,” said Pierce Carson, President and Chief Executive Officer. “Flux sales should be quite significant to Santa Fe. They may account for a substantial portion of ore mined at Summit. Last week we announced a similar trial shipment of flux material to another Arizona smelter.

“Smelter flux sales add to our options for processing of Summit ore and to our strategy of expanding our production profile in the Lordsburg area. Ore sold as smelter flux does not have to be milled. This frees additional capacity at our Lordsburg mill.”

Santa Fe’s Lordsburg mill is producing a high value gold and silver concentrate. The company is moving forward in negotiations with smelters for on-going sale of its concentrate. Santa Fe expects to begin shipments of concentrate shortly. The company plans to ramp up production from the Summit mine to 120,000 tons per annum over the next two quarters.

Full production revenues are projected to exceed \$25 million annually based on metal prices of \$1000 per ounce for gold and \$16.67 per ounce for silver. Operating costs are projected to be less than \$350 per ounce of gold equivalent produced.

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.

Company information distributed through the Market Access Program is based upon information that Standard & Poor's considers to be reliable, but neither Standard & Poor's nor its affiliates warrant its completeness or accuracy, and it should not be relied upon as such. This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument.

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