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SANTA FE GOLD PROVIDES UPDATE TO SHAREHOLDERS

ALBUQUERQUE, N.M. – April 14, 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 provided an update to shareholders.

On March 25, 2010, Santa Fe Gold began processing operations at its flotation mill at Lordsburg, New Mexico. Commissioning of the mill is progressing satisfactorily, and the mill has demonstrated the ability to produce a marketable high-value precious metals concentrate from Summit silver-gold ore. The company is evaluating offers from smelters for the purchase of its concentrate with a view to reaching an agreement during the current quarter. Sale of concentrate is planned to begin immediately upon finalizing a sales contract.

“We are very pleased to have achieved successful concentrate production from our Lordsburg mill”, said Pierce Carson, President and Chief Executive Officer. “Cash flow from this operation makes Santa Fe Gold self supporting and provides the basis for future company growth. The mill is a key asset that allows us to execute our strategy of increasing production not only from our Summit mine but from other properties within a trucking radius of Lordsburg.”

The company will shortly receive the results from a trial shipment of 3,000 tons of high-silica flux material shipped to an Arizona smelter earlier this year. If the trial is successful and a suitable flux agreement can be arranged, sales of flux material would provide an additional outlet for Summit ore, in addition to sales of the Lordsburg mill concentrate. Partial payment for the flux material previously shipped is due to be received this month.

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 process increasing quantities of ore as mining ramps up to a planned production rate of 120,000 tons of ore per year.

The \$10 million raised in January 2010 allows Santa Fe Gold to pursue acquisition of additional feed sources for expansion of the Lordsburg mill, advance the Ortiz gold project and consider acquisition opportunities. The company is formulating an accelerated program to explore the high-grade precious metals mineralization on its Summit and Lordsburg land holdings, which have excellent potential to significantly expand reserves.

Carson stated, “With the current exciting market in gold and silver, this is a great time to be bringing a new mine on line. 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.

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.

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