ALBUQUERQUE, N.M., Feb. 10, 2017 (GLOBE NEWSWIRE) -- Santa Fe Gold Corp. (OTC:SFEG), a U.S.-based mining and exploration enterprise with emphasis on Gold, Silver, Copper, Precious, Industrial and base metals and owner of multiple claims, including the Malone Mines complex incorporating 20 associated mine sites and the Playas Lake Bed area of Hidalgo County, New Mexico, is pleased to announce the company is finalizing preparations to begin drilling its recently optioned high grade Silver mining property. Preliminary studies indicate the presence of a significant 'Porphyry Silver" discovery nearby and beneath this highly prospective new mine's location.

This new property could become the flagship mine for Santa Fe Gold Corp.. Given the dimensions, structure and uniqueness of this property, it could further enable SFEG to begin production in the near term future. Early results are extremely promising and well beyond expectations regarding the consistency of grade, quality and quantity of material and extent of reserves. Further evidence of a significant Porphyry Silver formation would add substantial potential to this mine.

Overview of Property

The property, (see link below 'Geologic Setting') is located in the South Western US and comprises patented and un-patented claims amounting to some 200 acres. It is Santa Fe Gold's intention to extensively drill this property to determine the entire dimension, magnitude and extent of this unusually high grade deposit's numerous vein structures. The estimated size of the deposit could be in excess of 3.06 million tons of ore, and recently completed assays suggest that some ore vein values could be worth in the thousands of dollars per ton.

Santa Fe Gold is already negotiating with buyers ready to pay such amounts per ton of ore delivered from the mine site.

Company Comment

President and CEO Tom Laws commented: "This is an exceptional property with several untapped veins containing very high grade silver ore and numerous native silver specimens not found anywhere else in the world. The property is located in one of the most highly mineralized areas anywhere on Earth. The geology indicates that an occurrence of exceptionally high grade ore this size is the result of a halo effect caused by being nearby or beneath a large 'Porphyry Silver' deposit formation. This explains the anomalous high grades as already displayed in these rare occurrences and specimens. It is well known that “Porphyry” deposits exist throughout the district. Santa Fe Gold's consulting geologist has identified evidence of an undeveloped “Porphyry” deposit quite close to or beneath this exceptional property."

GEOLOGIC SETTING

The mining district lies in the Laramide Arizona-Sonora-New Mexico porphyry copper belt. It is the oldest porphyry copper deposit in the state; although the Piños Altos pluton is ca. 74.4 Ma (McDowell, 1971) and a Georgetown monzonite dike has been dated as ca. 71 Ma (McLemore, 1998), both of which have associated Cu-Au-Ag skarn or Ag carbonate-hosted replacement deposits. The Twin Peaks monzonite porphyry in the Burro Mountains is 72.5 Ma (Hedlund, 1980) and a hornblende andesite in the Hidalgo Formation in the Little Hatchet Mountains is 71.4 Ma (Lawton et al., 1993). Polymetallic veins and alteration suggests that a porphyry may underlie the Lordsburg district (57.4 Ma, McLemore et al., 2000a). Porphyry copper deposits are not known to occur in these areas, but certainly the possibility exists that the deposits may occur undiscovered in the subsurface.

For more informations courtesy of geoinfo.nmt.edu, please go to:
https://geoinfo.nmt.edu/staff/mclemore/projects/mineralresources/hillsboro.html

In light of this and the discovery indicated and potential existence of a substantial porphyry deposit, Santa Fe Gold’s consulting geologist believes the project has considerable merit and potential in line with the overview detailed above.

Production Potential

Mr. Laws further commented: "Plans have already been drawn up to begin production as soon as possible. It is believed substantial revenues can be generated from this mine over multiple years. Revenues can be through the dual processing from both the smelting of high grade ore and direct delivery of suitable ore to a refiner purchaser.

Given the dimensions and extent of the vein structures, the company is optimistic this mine has the potential to be a significant producer and the flagship property. Santa Fe Gold believes this property can be brought into production relatively quickly."

Funding update to finance operations

The company has already received substantial funding commitments to enable start-up of operations. This capital will be disbursed as early as practicable once the full drilling campaign, mining preliminaries and preparations are completed.

Highly Promising Initial Assay Results

The area in general and its surroundings, (refer to link above) has a history of exceptionally high grades. This was borne out by previous high grade discoveries reported by Santa Fe Gold in 2012. Assays showed bonanza type high grades of 7.73 ounces of gold per ton and 269.75 ounces per ton of Silver. Such exceptionally high grades are rare and could be considered an anomaly, yet they prove such grades exist. Similar high grade showings have recently been uncovered, as borne out by recent assays. In the past, grades as high as 16 oz. per ton have historically been encountered in the Malone Mines Complex, which Santa Fe Gold now controls and some 80% of all the gold discovered in New Mexico has been found. Also worth noting, these newly acquired properties are located close to properties controlled by both BHP and Rio Tinto. These are two of the world's largest mining companies. The two companies fairly recently staked claim to very substantial territories extending some 20 square miles over a wide area.

Ongoing Acquisitions Update

Santa Fe Gold has a pipeline of additional acquisitions of other high grade properties. Further announcements can be expected over the coming weeks and months. The company continues to execute on its value accumulation strategy. Santa Fe Gold intends to build on these acquisitions to solidly recapitalize the company as a precursor to resuming mining and production operations from multiple mines, as early as possible in the near to intermediate future.

Production Plans

Mr. Laws went on to emphasize: "Santa Fe Gold's immediate goal is the drilling of this new high grade mine deposit. Following this is a plan to establish the most efficient and profitable way to monetize this important discovery. Other properties will follow, per Santa Fe Gold's stated mission:

Selecting only the very highest grade, highest quality and prospective deposits capable of sustaining ongoing mining operations well into the future." The Company's goal is to produce significant cash flow from precious metals holdings while creating a portfolio of high quality exploration and bankable development projects that will ensure future revenue growth.

Progress to date

The rapid pace of acquisitions and this potential new discovery can be directly attributed to President and CEO, Tom Laws.

He has extensive mining experience and intimate familiarity with all mining operations in the Southwestern United States. In particular, the Arizona and New Mexico environs has afforded Santa Fe Gold a huge exploration, acquisition and mining edge, thanks to Mr. Laws' own vast experience and expertise and his crack team of mining professionals in this field.

He has worked with local miners and a number of mining companies for decades, assisting them in evaluating materials, economic utility and the most effective processing methods, looking to develop and optimize all of their mining output.

With this experience, Mr. Laws has been able to bring this knowledge to Santa Fe Gold to help to rebuild the company through strategic and highly coveted acquisitions that once in production, through his expertise, can also optimize mining output, revenue generation and economic profitability, implementing an ambitious mining agenda from the ground up.

His extensive area knowledge, broad experience and understanding of the local mineralogy in lesser known mining areas, metallurgy and mineralization in many of the most sought after mining environs and properties is helping Santa Fe Gold to rapidly execute on this mining agenda. Santa Fe Gold already now controls or owns approximately 53 million tons of valuable gold, silver, copper, precious and base metals and also some rare earths and titanium ores. New Mexico has more rare earths than any other US state, fetching exceedingly high prices on world markets. Titanium, elements of which exist in the Playas Lake Bed area of Hidalgo that Santa Fe also controls, today sells for about $2,000 per ton. Santa Fe Gold intends to further build up its reserve tonnages over time, through ongoing acquisitions and fully exploit its holdings.

Audit Update

Mr. Laws finally added: "While we regret the company's financial audits have not yet been announced, they are virtually complete. The audit is in the final review stage. Meticulous attention to detail of any audit is a prerequisite and imperative. Our auditors have made numerous requests for hard to obtain information, at times going back as far as 15 years. All of these requests have been responded to promptly and methodically, ensuring that the company's audit will represent a thorough and complete financial history."

The filings are anticipated to be completed very soon. Once the audited financials are all filed, the company will then be considered up to date and in compliance. This will enable the company to migrate from its current exchange to the higher OTCQB Exchange Marketplace.

About Santa Fe Gold

Santa Fe Gold is a U.S.-based mining and exploration enterprise and owns the following mining assets: The Knight’s Peak region of Grant County, New Mexico comprising the Malone Mines, Patanka, Hillcrest Barranca and Principal Mines altogether incorporating some twenty mine sites and all located at Knight’s Peak together with an extensive expanded area surrounding the Malone Mines in the southern region of Burro Mountains, New Mexico. It also owns multiple claims in the Playas area of Hidalgo County, New Mexico. The company has also acquired considerable additional resources expected to be announced in due course that currently amounts to some 53 Million tons. It also just announced the optioning of a new and exceptionally high grade property.

Santa Fe’s Exploration and Development Team continues to analyze a number of attractive, economically viable opportunities and execute on the company's acquisition program that is focused on positioning the company to resume mining and production operations as soon as possible.

For more information and to register for updates: Please visit www.santafegoldcorp.com.

Forward Looking Statements

Please refer to the Forward Looking Statements link at the bottom left of Santa Fe Gold's website for all relevant disclosures.

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