UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 2)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **June 30, 2012**

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to_____

Commission file number **001-12974**

SANTA FE GOLD CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**84-1094315** (I.R.S. Employer Identification No.)
6100 Uptown Blvd NE, Suite 600, Albuquerque, NM (Address of principal executive offices)	**87110** (Zip Code)

(505) 255-4852
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:
Common stock, $.002 par value
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [X] No [ ]

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [X]
Non-accelerated filer [ ]	Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of the Common Stock of Santa Fe Gold Corporation held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was $89,236,672.

As of September 28, 2012, there were 117,537,970 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None.

EXPLANATORY NOTE

Santa Fe Gold Corporation ("we", "our" or the "Company") is filing this Amendment No. 2 to its Form 10-K for the fiscal year ended June 30, 2012, which was originally filed with the Securities and Exchange Commission ("SEC") on September 28, 2012. This Amendment No. 2 to Form 10-K should be read in conjunction with the Form 10-K and the Company's subsequent reports filed with the SEC. Except for the information specifically amended and restated herein, this form 10-K/A has not been updated to reflect events, results or developments that occurred after the date of the original Form 10-K nor does it change any other disclosures contained in the original Form 10-K.

This Amendment No. 2 incorporates amendments to our Form 10-K as follows:

PART I

ITEM 1A. RISK FACTORS

This report, including Management's Discussion and Analysis of Financial Condition and Results of Operation, contains forward looking statements that may be materially affected by numerous risk factors, including those summarized below:

Risk Factors Related to Our Business and Operations

We are dependent upon production of precious metals and industrial minerals from a limited number of properties, have incurred substantial losses since our inception in 1991, and may never be profitable.

Since our inception in 1991, we have not been profitable. As of June 30, 2012, our total accumulated deficit was approximately $64.0 million. To become profitable, we must identify mineralization and establish reserves, and then either develop properties ourselves or locate and enter into agreements with third party operators. We may suffer significant additional losses in the future and may never be profitable. There can be no assurance we will receive significant revenue from operations in the foreseeable future, if at all. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis.

We ceased mining operations at our Black Canyon mica property in 2002 after unsuccessful attempts to begin profitable operations. We have established only limited probable reserves at our Summit silver-gold property, and have not established proven or probable reserves at our Ortiz gold property or at our Planet micaceous iron property. If we are unable to economically produce silver or gold from our Summit or Ortiz properties, we will be forced to identify and invest substantial sums in one or more additional properties. Such properties may not be available to us on favorable terms or at all. Because of the numerous risks and uncertainties associated with exploration and development of mining properties, we are unable to predict the extent of any future losses or when we will become profitable, if at all.

We will require significant additional capital to continue our exploration activities, and, if warranted, to develop mining operations.

We will require significant additional funding for geological and geochemical analysis, metallurgical testing, and, if warranted, feasibility studies with regard to the results of our exploration. We may not benefit from such investments if we are unable to identify a commercial ore deposit. If we are successful in identifying reserves, we will require significant additional capital to establish a mine and construct a mill and other facilities necessary to mine those reserves. That funding, in turn, will depend upon a number of factors, including the state of the national and worldwide economy and the price of gold and other metals. We may not be successful in obtaining the required financing for these or other purposes, which would adversely affect our ability to continue operating. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of our potential interest in certain properties.

Our industry is highly competitive, attractive mineral lands are scarce, and we may not be able to obtain quality properties.

We compete with many companies in the mining business, including large, established mining companies with substantial capabilities, personnel and financial resources far greater than our own. In addition, there is a limited supply of desirable mineral properties available for acquisition in the United States and in other areas where we may conduct exploration activities. For these reasons, we may be at a competitive disadvantage in acquiring mineral properties. Competition in the industry is not limited to the acquisition of mineral properties but also extends to the technical expertise to operate such properties and the financial ability to fund such properties. Our inability to compete with other companies in these areas could have a material adverse effect on our results of operation and business.

The feasibility of mining our Ortiz gold property has not been established, meaning that we have not completed engineering, permitting or other work necessary to determine if it is commercially feasible to develop this property.

We currently have established only limited probable reserves on the Summit silver-gold property and have not established proven or probable reserves on the Ortiz gold property. A “reserve,” as defined by regulation of the

SEC, is that part of a mineral deposit that can be economically and legally extracted or produced at the time of the reserve determination. A reserve requires a feasibility study demonstrating with reasonable certainty that the deposit can be economically and legally extracted and produced. We have not received feasibility studies nor obtained necessary operating permits with regard to the Ortiz gold property. As a result, we have no reserves at the Ortiz gold property.

At the Summit silver-gold property, a qualified independent engineering firm has completed an engineering study that concluded there would be minimal risk in proceeding to development and mining on the basis of estimates of mineralized material. Subsequently, we have established probable reserves. However, our early stage estimate carries significant risks associated with factors including but not limited to the following:

- The limited amount of drilling completed to date. The Summit deposit is defined by only 78,000 feet of drilling in 88 drill holes. These holes are spaced to intersect the mineralized zone up to 200 feet apart, a drilling density insufficient for detailed mine planning in this style of epithermal precious metals deposit. As a result, mine plans are preliminary in nature and details must be developed in conjunction with underground development.

- Process and metallurgical testing has been limited to small pilot plant and bench scale testing. This causes uncertainty in metallurgical recovery and operating factors when scaling up to the full sized commercial plant. Although operating results to date at the Banner mill indicate that the mill will perform satisfactorily, additional fine tuning is necessary in order to optimize recovery of precious metals.

- Samples collected for metallurgical testing were selected from drill core from various parts of the Summit deposit and from samples taken from old underground workings located in the upper part of the deposit. Because of the small number and size of samples available for metallurgical testing, metallurgical results may not accurately characterize the deposit as a whole.

- The project has no significant operating history upon which to base estimates of operating costs and capital requirements. As a result, estimations of mineralized material, mining and process recoveries and operating costs have been based to a large extent upon the interpretation of geologic data from drill holes, and upon engineering estimates that derive forecasts of operating costs from anticipated tonnages and grades of mineralized material to be mined and processed, the configuration of the deposit, expected recovery rates of gold and silver from the mineralized material, comparable facility and equipment costs, and climatic conditions and other factors. Estimates of operating costs and capital requirements are preliminary estimates only.

- Commonly in new projects, actual construction costs, operating costs and economic returns differ materially from those initially estimated. Accordingly, there can be no assurance that the Summit mine or Banner mill can be brought into operation within the time frame or at the cost anticipated by the Company, or that the forecasted operating results can be achieved.

Substantial additional work and expenditures are required to demonstrate economic viability for the Ortiz project. The mineralized materials identified to date have not and may never demonstrate economic viability. The feasibility of mining has not been, and may never be, established. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. If we are unable to establish some or all of our mineralized material as proven or probable reserves in sufficient quantities to justify commercial operations, we may not be able to raise sufficient capital to develop a mine. If we are unable to establish such reserves, the market value of our securities may decline.

Fluctuating gold and silver prices could negatively impact our business plan.

The potential for profitability of gold and silver mining operations at our Summit silver-gold property and at our Ortiz gold property and the values of these properties are directly related to the market prices of gold and silver. The prices of gold and silver may also have a significant influence on the market price of our common stock. In the event that we obtain positive feasibility results and progress to a point where a commercial production decision can be made, our decision to put a mine into production and to commit the funds necessary for that purpose must be made long before any revenue from production would be received. A decrease in the price of gold or silver at any time during future development or mining may prevent our properties from being economically mined or result in the impairment of assets as a result of lower gold or silver prices. The prices of gold and silver are affected by numerous factors beyond our control, including inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, the purchase or sale of gold by central banks, and the political and economic conditions of major gold producing countries throughout the world.

During the last five years, the average annual market price of gold has progressively increased from $695 per ounce to $1572 per ounce, as shown in the table below. Information was obtained from Kitco.com:

Average Annual Market Price of Gold, 2007-2011 (per ounce)

2007	2008	2009	2010	2011
$ 695	$ 872	$ 972	$ 1225	$ 1572

During the last five years, the average annual market price of silver has increased from $13.38 per ounce to $35.12 per ounce, as shown in the table below. Information was obtained from Kitco.com:

Average Annual Market Price of Silver, 2007-2011 (per ounce)

2007	2008	2009	2010	2011
$ 13.38	$ 14.99	$ 14.67	$ 20.19	$ 35.12

Although it may be possible for us to protect against future gold and silver price fluctuations through hedging programs, the volatility of metal prices represents a substantial risk that is impossible to completely eliminate by planning or technical expertise. In the event gold or silver prices decline and remain low for prolonged periods of time, we might be unable to continue with development and mining of our Summit silver-gold property or to develop our Ortiz gold property or produce any significant revenue.

The continuation of commercial mining operations of our Summit silver-gold property or any proposal for development of our Ortiz gold property will be subject to permitting requirements that could cause us to delay, suspend or terminate our mining and development plans.

Mining and processing operations at the Summit silver-gold property or at the Ortiz gold property require permits from the state and federal governments. We may be unable to obtain such permits in a timely manner, on reasonable terms, or at all. If we cannot obtain or maintain the necessary permits, or if there is a delay in receiving such permits, our timetable and business plan for development and mining of one or both of these properties could be adversely affected.

We may not be able to obtain an adequate supply of water to complete desired development and mining of our Summit silver-gold property or of our Ortiz gold property.

For successful development, we will need to obtain the rights for a sufficient amount of water to service the mining and processing operation. Our lease with Ortiz Mines, Inc. gives us all rights that Ortiz Mines, Inc. may have to initiate and use water and water rights in connection with the property, including among others the right to drill, pump, divert, transport and use water from wells, containment areas and drainages. However there can be no assurance we will be able to exercise our rights under the lease agreement or obtain access to the amount of water needed to operate a mine at the property. For our Summit silver-gold property, this risk is mitigated in that sufficient water for mining purposes can be purchased and trucked to the Summit property; and sufficient water is available for processing purposes on our Lordsburg mill site property, for which water we have usage rights.

We may be at risk of losing title to our Ortiz gold property lease if we fail to perform our obligations.

Under the terms of our lease with Ortiz Mines, Inc., we are required to meet certain obligations as is common in a mineral lease of this type. Among other requirements, we must begin mineral production by February 2015 (February 2022 in certain circumstances), make annual payments, meet minimum expenditure requirements, pay a sliding-scale production royalty based on the price of gold and comply with all governmental permitting and other regulations. If we fail to make payments or meet expenditure requirements in a timely manner or to perform our other obligations as required under the lease, we are at risk that the lease could be cancelled.

The reserve estimations at our Summit property are imprecise.

Although we have relied on expert independent consultants to calculate the reserve estimations disclosed in our reports, such estimations are necessarily imprecise because they depend upon the judgment of the individuals who review the geological and engineering information and upon statistical inferences drawn from only limited drilling and sampling. If the Summit mining operation were to encounter mineralization or geologic conditions different from those predicted, reserve estimations might have to be adjusted and mining plans altered. Changes to the planned operations could adversely affect forecast costs and profitability.

The future prices of mica and feldspathic sand are uncertain.

According to published information, mica prices have varied over the past several years, and the outlook for future mica prices is unclear. Manufactured sand prices in the Phoenix area generally have fluctuated over the past several years, with demand driven by the state of the housing, construction, and recreational markets, which in recent years has undergone a dramatic decline. There are numerous factors beyond our control that could affect markets for both mica and feldspathic sand. No assurance can be given as to future prices or demand for products, if any, that could be produced from our Black Canyon mica project. Any decline in prices could have a material adverse effect on project economics.

Titles to unpatented claims can be uncertain, and we are at risk of loss of ownership of our Black Canyon mica property and a portion of our Summit and Lordsburg properties.

Our property holdings at the Black Canyon mica property and a portion of our holdings at our Summit and Lordsburg properties consist of unpatented mining claims and unpatented mill site claims located on public land and held pursuant to the General Mining Law of 1872. The validity of such unpatented mining claims may be subject to title defects and may be contested. Because a substantial portion of all mineral exploration, development and mining in the United States occurs on unpatented mining claims, this uncertainty is inherent in the mining industry. We have not obtained a title opinion on our entire property, with the attendant risk that title to some claims, particularly title to undeveloped property, may be defective. Although we believe that our claims are in good standing and held according to industry practice, we remain at risk that the mining claims may be forfeited either to the United States or to rival private claimants due to failure to comply with statutory requirements as to location and maintenance of the claims or challenges as to whether a discovery of a valuable mineral exists on every claim.

In recent years the United States Congress has considered amendments to the General Mining Law of 1872, some of which would lower the value of unpatented mining claims by restricting activities and imposing additional user fees or production royalties. If enacted, these legislative changes could have an adverse impact on our operations.

The development and completion of our properties entail significant risks.

The development of mineral deposits involves significant risks that even the best evaluation, experience and knowledge cannot eliminate. The economic feasibility of our mining properties is based upon a number of factors, including estimations of reserves and mineralized material, extraction and process recoveries, engineering, capital and operating costs, future production rates and future prices of gold, silver, copper, mica, feldspathic sand and micaceous iron oxide.

Our properties have no significant operating history upon which to base estimates of operating costs and capital requirements.

As a result, estimations of mineralized material and reserves, mining and process recoveries and operating costs must be based to a large extent upon the interpretation of geologic data obtained from drill holes, and upon scoping and feasibility estimates that derive forecasts of operating costs from anticipated tonnages and grades of mineralized material and reserves to be mined and processed, the configuration of the mineralized deposits, expected recovery rates of minerals, comparable facility and equipment costs, and climatic conditions and other factors. Commonly in new projects, actual construction costs, operating costs and economic returns differ materially from those initially estimated. Accordingly, there can be no assurance that our properties can be developed within the time frames or at the costs anticipated, or that any forecasted operating results can be achieved.

The nature of mineral exploration and production activities involves a high degree of risk and the possibility of uninsured losses that could materially and adversely affect our operations.

Exploration for minerals is highly speculative and involves greater risk than many other businesses. Most exploration programs fail to result in the discovery of economic mineralization. Our exploration and mining efforts are subject to the operating hazards and risks common to the industry, such as:

- economically insufficient mineralized materials;
- decrease in reserves due to lower metal prices;
- fluctuations in production cost that may make mining uneconomical;
- unanticipated variations in grade and other geologic problems;
- unusual or unexpected formations;
- difficult surface or underground conditions;
- failure of pit walls or dams;
- metallurgical and other processing problems;
- environmental hazards;
- water conditions;
- mechanical and equipment performance problems;
- scarcity or high cost of skilled labor
- scarcity or high cost of mining equipment
- industrial accidents;
- personal injury, fire, flooding, cave-ins and landslides;
- labor disputes; and
- governmental regulations.

Any of these risks can adversely affect the feasibility of development of our properties, production quantities and rates, and costs and expenditures. We currently have no insurance to guard against any of these risks. If we determine that capitalized costs associated with any of our mineral properties are likely not to be recovered, a write-

down of our investment would be necessary. All of these factors may result in unrecoverable losses or cause us to incur potential liabilities, which could have a material adverse effect on our financial position.

Our ongoing operations, including past mining activities, are subject to environmental risks that could expose us to significant liability and delay, suspension or termination of our operations.

All phases of our operations will be subject to federal, state and local environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Future changes in environmental regulation, if any, may adversely affect our operations, make our operations prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the Black Canyon mica property, the Summit silver-gold property, the Lordsburg property, the Ortiz gold property, and the Planet micaceous iron oxide property and on properties in which we may hold interests in the future that are unknown to us at the present. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Production, if any, at our projects may involve the use of hazardous materials.

Should these materials leak or otherwise be discharged from their containment systems, then we may become subject to liability for hazards. We have not purchased insurance for environmental risks including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production, as it is not generally available at a reasonable price.

In addition to environmental regulations, we are subject to a wide variety of laws and regulations directly and indirectly relating to mining that often change and could adversely affect our business.

We are subject to extensive United States federal, state and local laws and regulations related to mine prospecting, development, transportation, production, exports, taxes, labor standards, occupational health and safety, waste disposal, protection and remediation of the environment, mine safety, hazardous materials, toxic substances and other matters. These laws and regulation frequently change. New laws and regulations or more stringent enforcement of existing ones could have a material adverse impact on us, causing a delay or reduction in production, increasing costs and preventing an expansion of mining activities.

We depend on a limited number of personnel and the loss of any of these individuals could adversely affect our business.

We are highly dependent on nine persons, namely Mr. Pierce Carson, our chairman, president and chief executive officer; Mr. Michael Martinez, our principal financial officer and treasurer; Mr. Ryan Carson, our secretary and assistant treasurer; Mr. John White, our vice president of operations; Mr. Erland Anderson, technical manager mining; Mr. Patrick Freeman, senior consultant; Mr. Dennis Dalton, Summit mine manager; Mr. Michael Duncan, Summit mine superintendent; and Mr. Curtis Floyd, vice president Lordsburg milling operations. We rely heavily on these nine individuals for the conduct of our business, and the loss of any of them could significantly and adversely affect our business. In that event, we would be forced to identify and retain a suitable replacement, which we may not be able to accomplish on terms acceptable to us. We have no life insurance on the life of any officer.

We have not sought an advisory stockholder vote to approve the compensation of our named executive officers.

Rule 14a-21 under the Securities Exchange Act requires us to provide a separate shareholder advisory vote in our proxy statements to approve the compensation of our named executive officers, not less frequently than once every three years ("say-on-pay" vote). To date, we have not submitted to our stockholders to vote on a proposal to approve an advisory resolution regarding our compensation program for our named executive officers. Consequently, our board has not considered the outcome of our "say-on-pay" vote results when determining future compensation policies and pay levels for our named executive officers. Our board of directors has adopted a resolution setting the date for our Annual Meeting of Stockholders to be held for July 30, 2013. At our annual meeting, we will be asking our stockholders to vote on a proposal to approve an advisory resolution regarding our compensation program for our named executive officers. We will consider the outcome of our "say-on-pay" vote results when determining future compensation policies and pay levels for our named executive officers.

Our Chief Executive Officer may face a conflict of interest relating to the acquisition of mineral properties by the Company.

We have an agreement with Mr. Carson, which pre-dates his joining the Company as an officer and director, under which he identified properties that constitute potential acquisition targets. Although Mr. Carson has no pre-existing interest in the targeted properties, under the agreement he stands to gain if we acquire an identified property and either place it into production or sell it. This arrangement gives rise to potential conflicts of interest with regard to whether or not we should acquire a targeted property and the price we agree to pay for the property. While we have sought to mitigate the risk inherent in the arrangement with Mr. Carson by careful evaluation by the Board of Directors of any proposed transaction, this step may not be sufficient to eliminate the risk entirely. Acquisitions of the Summit silver-gold property and Ortiz gold property are subject to the property identification agreement with Mr. Carson.

Delaware law and our Articles of Incorporation may protect our directors from certain types of lawsuits. Delaware law provides that our directors will not be liable to our stockholders or to us for monetary damages for all but certain types of conduct as directors of the Company.

Our Articles of Incorporation permit us to indemnify our directors and officers against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing stockholders from recovering damages against our directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require us to use our limited assets to defend our directors and officers against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

Risks Related to our Common Stock

The sale of our common stock by selling stockholders may depress the price of our common stock due to the limited trading market that exists.

Due to a number of factors, including the lack of listing of our common stock on a national securities exchange, the trading volume in our common stock has historically been limited. Trading volume over the last 3 months has averaged approximately 120,000 shares per day. As a result, the sale of a significant amount of common stock by selling shareholders may depress the price of our common stock and the price of our common stock may decline.

Completion of one or more new acquisitions could result in the issuance of a significant amount of additional common stock, which may depress the trading price of our common stock.

Acquisition of one or more additional mineral properties, conceptually, could result in the issuance of a significant amount of common stock. Such issuance could depress the trading price of our common stock.

Our stock price may be volatile and as a result you could lose all or part of your investment.

In addition to volatility associated with OTC securities in general, the value of your investment could decline due to the impact of any of the following factors upon the market price of our common stock:

- changes in the worldwide prices for gold or silver;
- disappointing results from our exploration or development efforts;
- failure to meet our revenue or profit goals or operating budget;
- decline in demand for our common stock;

- downward revisions in securities analysts' estimates or changes in general market conditions;
- technological innovations by competitors or in competing technologies;
- investor perception of our industry or our prospects; and
- general economic trends.

In addition, stock markets have experienced extreme price and volume fluctuations and the market prices of securities generally have been highly volatile. These fluctuations commonly are unrelated to operating performance of a company and may adversely affect the market price of our common stock. As a result, investors may be unable to resell their shares at a fair price.

A small number of existing shareholders own a significant portion of our common stock, which could limit your ability to influence the outcome of any shareholder vote.

Our executive officers and directors, together with our three largest shareholders, beneficially own approximately 35% of our common stock as of the date of this report. Under our Articles of Incorporation and Delaware law, the vote of a majority of the shares outstanding is generally required to approve most shareholder action. As a result, these individuals and entities will be able to influence the outcome of shareholder votes for the foreseeable future, including votes concerning the election of directors, amendments to our Articles of Incorporation or proposed mergers or other significant corporate transactions.

We have never paid dividends on our common stock and we do not anticipate paying any in the foreseeable future.

We have not paid dividends on our common stock to date, and we may not be in a position to pay dividends in the foreseeable future. Our ability to pay dividends will depend on our ability to successfully develop one or more properties and generate revenue from operations. Further, our initial earnings, if any, will likely be retained to finance our growth. Any future dividends will depend upon our earnings, our then-existing financial requirements and other factors and will be at the discretion of our Board of Directors.

ITEM 2. PROPERTIES

Summit Silver-Gold Project

Overview

Santa Fe Gold acquired the Summit silver-gold project in May 2006. The project includes the underground Summit silver-gold mine and related property consisting of 117 acres of patented mining claims and 740 acres of unpatented mining claims in Grant County, southwestern New Mexico; and the Banner mill, including mineral processing equipment consisting of a crushing and screening plant, a ball mill and a 400 ton-per-day flotation plant, and related property consisting of approximately 1,500 acres of wholly owned and leased patented and unpatented mining claims, located approximately 57 miles south of the Summit mine near Lordsburg, Hidalgo County, New Mexico. We own and operate the Summit project under the Lordsburg Mining Company, a wholly-owned subsidiary.

Construction of the Banner mill and development of the Summit mine have been the focus of our activities since 2008. In April 2007, we received results of an engineering study that concluded the Summit deposit would form the basis of an economically viable underground mining operation. In December 2007, we arranged financing of $13.5 million by way of a private placement of senior secured convertible debentures. We began construction activities during 2008, including development of the Summit mine and construction of the Banner mill. Ore generated in the process of developing the mine was stockpiled for later processing. Construction of the Banner mill was completed in mid-2009 and construction of the tailings disposal impoundment was completed in early 2010. We commenced processing operations at the Banner mill in April 2010. Trial sales of ore as silica flux material commenced in the second quarter of 2010 and trial sales of precious metals flotation concentrate began in the third quarter of 2010. Mine development is on-going, and at the end of June 2012 we had constructed over 12,400 feet of new underground openings. The Summit mine achieved commercial production in Q2 of calendar 2012.

The Summit mining and processing operation involves underground mining of silver and gold ore from the Summit mine and trucking of the ore 57 miles to the Banner mill site where metallurgical processing takes place. At full production, mining is planned to be carried out at a rate of 400 tons per day (120,000 tons per year). At the Banner site, processing is accomplished through conventional crushing, grinding and selective flotation to yield a bulk sulfide concentrate containing the recoverable precious metals.

Since start-up in April 2010, the mill has demonstrated the ability to produce a high value gold-silver concentrate that averages around 10 ounces per ton gold and 500 ounces per ton silver. We are marketing this concentrate under a sales contract for 2012 to a German smelter and are exploring other marketing options. We also are producing siliceous flux material, involving crushing and screening of Summit ore, and then direct shipping of the resulting beneficiated product to copper smelters for use as smelter converter flux. We sold siliceous flux material to two Arizona smelters in 2011 and are continuing sales to the same smelters during 2012. Sales of siliceous flux material are in addition to sales of concentrate produced at the Banner mill.

Location and Access

The Summit silver-gold property is located in a rugged and isolated setting in Grant County, southwestern New Mexico, near the Arizona state line. The property lies within the Steeple Rock Mining District, which has recorded notable historic production of gold, silver, base metals and fluorspar from several mines, currently inoperative, including Carlisle, East Camp and Norman King.

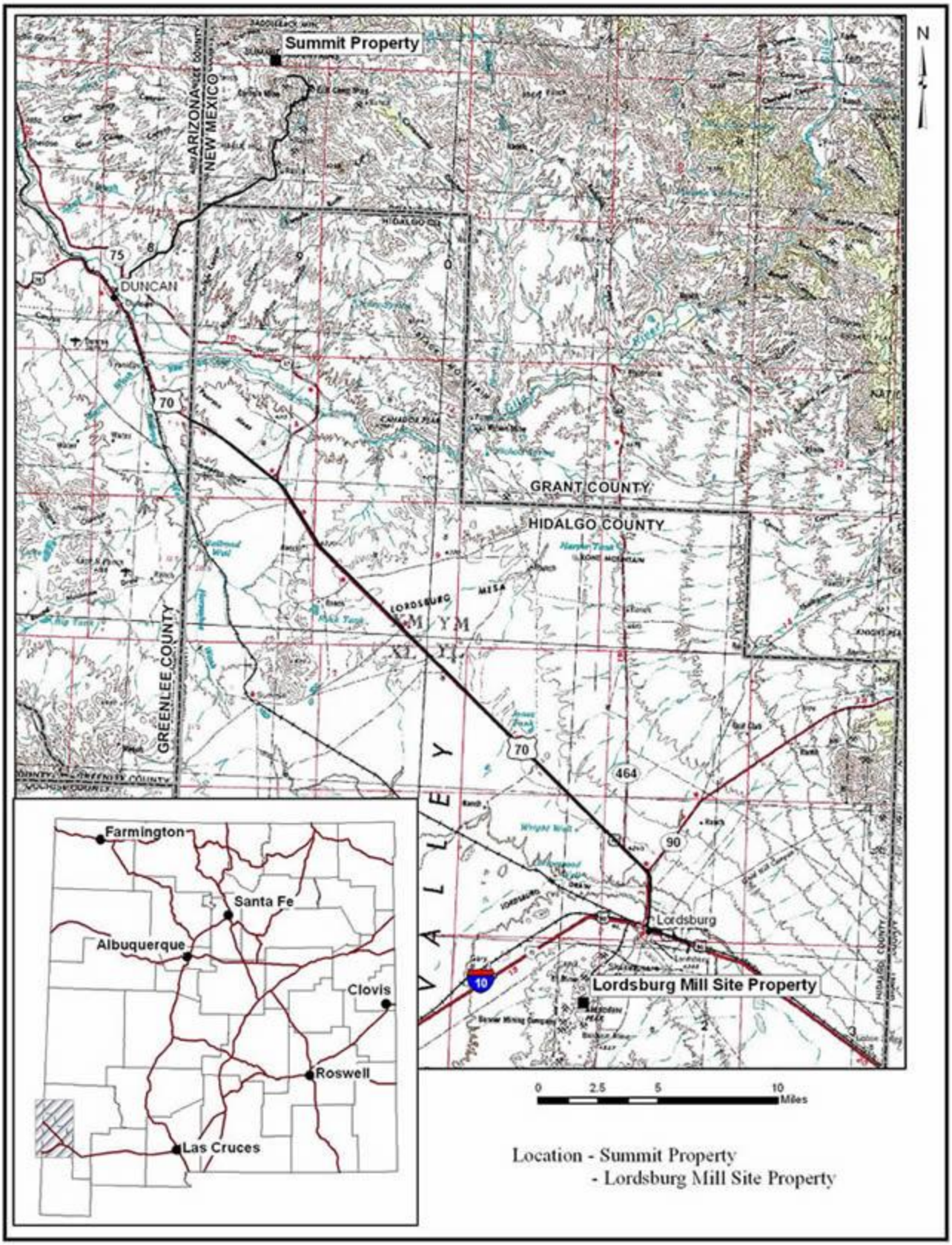
The property is accessible by paved and gravel road approximately 15 miles northeast from Arizona State Highway 75 N and the town of Duncan, Arizona. Electric power is not available on or near the property and is generated on-site in connection with the Summit mining operation. Water for limited usage is available on and near the property.

The terrain of the property is rugged, with steep canyons and ridges. Elevations range from 4,500 feet to 6,200 feet above sea level. The Summit siliceous mineralized structure forms a prominent northwesterly trending ridge.

The Banner mill site lies 57 miles to the south of the Summit property near the town of Lordsburg, Hidalgo County, New Mexico. Lordsburg is connected to Duncan, Arizona via US Highway 70. The Banner mill site is accessible from Lordsburg by a 4-mile paved road. Utilities on site include water and electric power. The Lordsburg area is well supported by transportation services including trucking and rail services, and by a wide range of fabrication, construction and other support services. The labor force required for the plant operation is sourced locally.

Figure X.1

Claim Boundary Map



Location - Summit Property
- Lordsburg Mill Site Property

Mineral Title

Our holdings at the Summit silver-gold property in Grant County, New Mexico consist of 10 patented federal mining claims totaling approximately 117 acres and 62 unpatented federal mining claims totaling approximately 740 acres. Our holdings at and adjacent to the Banner mill site in Hidalgo County, New Mexico consist of 86 wholly-owned patented federal mining claims, 16 wholly-owned unpatented mining claims, 17 leased patented mining claims and 6 leased unpatented mining claims, aggregating approximately 1,500 acres. All wholly-owned claims are held in the name of Lordsburg Mining. The unpatented mining claims are located on public land and held pursuant to the General Mining Law of 1872. We fully own the mining rights and believe the claims are in good standing in accordance with the mining laws of the United States.

In order to maintain our claims in good standing, for our patented mining claims we must pay annual property taxes to Grant and Hidalgo Counties, and for our unpatented mining claims we must pay annual assessment fees to the Bureau of Land Management and record the payment of rental fees with Grant and Hidalgo Counties. We are current on property taxes related to our patented claims. Annual assessment and recording costs for our unpatented claims total approximately $12,000. We have paid the required fees for the 2012 and 2013 assessment years (September 1, 2011 through August 31, 2013).

The Summit property is subject to underlying net smelter return royalties capped at $4,000,000 and to a net-proceeds interest on sales of unbeneficiated mineralized rock with an end price of $2,400,000. The Summit acquisition is subject to a property identification agreement between us and our President and Chief Executive Officer**.** *See* **Item 13. "Certain Relationships and Related Transactions"**.

History of Mining and Exploration

The Summit silver-gold property lies within the Steeple Rock district, which is one of the historic mining areas in the southwest United States. The former mines produced gold, silver and base metals from underground mining of epithermal vein systems. Prospecting activity dates back to before 1860. The first recorded production was from the Carlisle property, which operated from 1880-1897. A number of other mines including the Norman King and Billali also opened up during the 1880's but ceased operation by the turn of the century. Following this early production, the district was largely dormant until the 1930's-mid 1940's when several mines operated. Subsequently sporadic small-scale operations continued until the 1990's on various deposits including the Summit, Center, Mount Royal and Carlisle deposits.

The US Bureau of Mines estimated that between 1880 and 1986 the Steeple Rock district produced at least 148,000 ounces of gold, 3.3 million ounces of silver, 1.2 million pounds of copper, and 5 million pounds of lead and 4 million pounds of zinc. In addition, there was unrecorded precious and base metal production as part of silica flux shipments. Some 6,500 tons of fluorspar also were produced.

In the late 1970's, Summit Minerals Inc. is reported to have shipped about 30,000 tons of mineralized material from the Summit property to ASARCO's El Paso smelter as direct shipping silica flux grading 0.102 ounces per ton gold and 4.95 ounces per ton silver.

Exploration work estimated to have cost in excess of $8.0 million was carried out on the Summit silver-gold property from 1984-1992. This work included drilling totaling 104,700 feet on the Summit and adjacent structures, of which 78,000 feet was directed to the Summit structure. In 1984-85, Inspiration Mines Inc. reportedly spent about $1.5 million conducting underground development, shallow core drilling and sampling and mapping. In 1988-89, Novagold Resources Inc. reportedly expended approximately $2.0 million in surface and airborne geophysical surveys, underground mapping and sampling, and core drilling. Novagold's drilling identified a significant block of mineralized material in the Summit vein. From 1989-1992, Biron Bay Resources Ltd., in joint venture with

Novagold, conducted extensive exploration, drilled 88 core holes, and reportedly spent over $5.0 million extending and improving the level of confidence in the mineralized material at the Summit vein and in defining exploration potential in adjacent and outlying vein structures.

Geology and Mineralization

The Steeple Rock district contains numerous structurally controlled epithermal vein systems. The veins are controlled by conjugate fault systems that cut a thick pile of Tertiary volcanic rocks of intermediate composition. The deposits are localized along structurally controlled, hydrothermally altered zones cutting the volcanic host rocks. The dominant structures trend northwesterly and dip steeply. Secondary veins trend easterly and north-northwesterly. The veins can be traced for distances of up to several miles along strike and have widths that range up to 100 feet or more.

The epithermal veins have formed as open-space filling by a mixture of quartz, carbonate minerals and wallrock fragments and show evidence of multiple episodes of brecciation and re-cementation. Gold occurs as fine free grains or as electrum. Silver is found as argentite or in sulfosalts. Base metal sulfides including chalcopyrite, sphalerite and galena are common in certain deposits but rare in others. Gangue minerals usually consist of quartz, pyrite, calcite, barite and fluorite. Alteration of the volcanic country rocks adjacent to the veins commonly consists of sericitization, argillization and silicification.

The principal vein structure on the Summit silver-gold property is the Summit structure, which can be traced for 3,000 feet from southeast to northwest. The Billali structure forms a farther 2,000 foot continuation of the Summit structure in a northwesterly direction across an east-west fault. The Summit and Billali structures dip steeply to the northeast. These structures form segments of the East Camp Fault, which constitutes the main ore control in this part of the Steeple Rock district. The core drilling carried out from 1984-1992 tested both the Summit and Billali vein structures. Of the two, results from the Summit structure were the more promising with respect to vein continuity and economic potential.

The Summit mineralized vein occurs within a wide, structurally controlled zone of hydrothermally altered volcanic rocks. Silver and gold mineralization is epithermal in style and consists of silver sulfides and electrum or native gold along with lesser pyrite, sphalerite and chalcopyrite. Precious metals contents, which are relatively low at the surface, increase significantly with depth for several hundred feet, apparently a reflection of vertical mineral zoning within the deposit. Below 1,000-1,500 feet, the precious metals contents appear to decrease although little deeper drilling was carried out. The main block of mineralized material, which occurs along the footwall of the structure, has been shown by extensive drilling to trend northwesterly about 1,500 feet in strike length and to extend 1,000 feet down dip. The true width of mineralization across the footwall mineralized zone ranges from 6 feet to over 50 feet and averages 10-15 feet.

Ore Reserve

Chapman, Wood and Griswold, Inc. (“CWG”), an independent geological engineering firm, carried out studies and reviews of the mineral classification of Summit mineralization. In February 2010, CWG concluded that a portion of the mineralized material in the footwall zone can be classified as a Probable Reserve under the SEC’s Industry Guide 7.

The Company revised the CWG reserve estimate as of June 30, 2012 by removing the volume of material mined originally estimated from each individual hole used for the original reserve calculation. This method automatically adjusts the grade of the remaining reserve. The mineral reserve as of June 30, 2012 is estimated as follows:

Probable Reserve (Footwall Zone)

	Tons	Grade (oz/ton)[1]		Contained ounces	
		Au	Ag	Au	Ag
Inplace, diluted[2][3]	573,890	0.148	10.74	84,936	6,163,579
Minable @ 90% extraction	516,501	0.148	10.74	76,442	5,547,221
Ounces in conc. at 80% rec.				61,154	4,437,777

(1) Assays cut to 0.45 oz Au/t and 45.0 oz Ag/ton
(2) Diluted with 1.0 foot at grade on each wall. Minimum 6.0-foot horizontal width.
(3) Cutoff grade 0.16 oz Au equivalent per ton, using a 60:1 gold-silver price ratio and equivalent recoveries for gold and silver.

Mineralized Material

During the evaluation of the Summit Mine mineral resource base, CWG noted significant quantities of mineralized material that cannot be classified as Reserves, as follows:

	Tons	Grade (oz/ton) Au	Ag
1. Single-hole, isolated blocks within the footwall zone; inplace, diluted.	71,380	0.144	5.44
2. Mineralization peripheral to the Probable Reserve in the footwall zone; inplace, diluted.	370,000	0.067	4.19
3. Mineralization in a hangingwall section of the structure; inplace, undiluted at a 5-foot minimum horizontal width.	196,000	0.092	3.80

CWG stated this mineralized material has the potential to be upgraded to Reserve status following further definition by drilling and/or underground development.

Project Economic Estimate

At gold and silver prices of $1,000 and $16.67 respectively, and assuming 80% metallurgical recovery, in May 2011 CWG estimated Summit revenues over an initial five-year mine life would total approximately $144 million, and direct operating profit would total approximately $91 million. Direct operating costs were estimated as $84.50 per ton of ore milled or $364 per ounce of gold equivalent produced. The total capital cost to bring the mine into production was estimated as $18.5 million. The estimated capital cost is inclusive of mine development, mill construction, bonding requirements, and project management and working capital. CWG estimated the project could be brought into full production during 2011. Actual commercial production was achieved in Q2 of 2012.

Metallurgical Testing

Conventional processing including crushing, grinding and milling of Summit ore to produce a bulk sulfide flotation concentrate containing the recoverable precious metals was evaluated and tested at bench scale. Preliminary bench scale flotation tests indicated that a precious metals recovery of 80-86% with a concentration ratio of 70 to 1 would be reasonably achievable. Operating results to date at the Banner mill reflect relatively low recoveries due to processing of low grade development ore and of oxidized ores. Metallurgical testing and operational adjustments are underway that are anticipated to achieve improved operating results. Currently we are marketing the concentrate to a smelter, but believe that alternatively the concentrate could be treated to produce either a dore or pure gold and silver metal products, or could be marketed to a third-party precious metals processing operation for final extraction of gold and silver.

Processing for silica flux material requires only crushing and screening of the ore to yield a specified size fraction upgraded in silica content to meet smelter requirements. Along with the higher silica content, the precious metals content also is upgraded in the silica flux material. After crushing and screening, the crushed material that does not meet smelter specifications for silica flux is processed through the flotation plant.

Mineral Processing Equipment

With the purchase of Lordsburg Mining in May 2006, we acquired an inactive 400 ton-per-day flotation plant, including ball mill and ancillary equipment. Subsequently, in June 2008, we purchased crushing, screening and conveying equipment. In order to utilize the flotation plant for mineral processing, we transported it from its previous location near Winston, Sierra County, New Mexico, refurbished it as necessary and erected it at the Banner mill site in Hidalgo County. In addition to the processing equipment acquired in 2006, we also acquired and installed other necessary equipment.

Permits

With the purchase of Lordsburg Mining in 2006, we acquired existing operating permits for the Summit property and the Banner mill site. The New Mexico Mining and Minerals Division issued these permits to Lordsburg Mining pursuant to the New Mexico Mining Act. We modified and revised these permits as necessary in order to commence mining at the Summit mine and resume mineral processing operations at the Banner mill.

Permit No. GR001ME at the Summit mine allows operation of a “minimal impact mine”. As surface disturbance expands, it will be necessary to modify the permit and to post financial assurance for reclamation. Pursuant to the current permit, we are conducting underground mining operations.

Permit No. H1001RE at the Banner mill site is for an “existing mining operation” and authorizes us to conduct mining and reclamation operations according to the conditions stipulated in the permit. We have addressed all proposed mining disturbances under a closeout plan secured by financial assurance. We applied for and received modification and revision of the permit to allow resumption of flotation milling, construction of a tailings impoundment and discharge of tailings. We also have applied or will apply for other necessary permits, including air quality permits for the Banner mill and Summit mine.

Development Activities

In December 2007 we arranged for $13.5 million in capital for project development. We carried out construction activities in 2008 and 2009. Underground mine development is on-going. The Banner mill began processing operations in April 2010. The Summit mine achieved commercial production in Q2 of calendar 2012.

At the Summit mine, a seven hundred foot 12' x 13' decline ramp intersected the predicted mineralized body in February 2009. From that point, two development headings were driven in the main mineralized structure, one an incline to the southeast planned to intersect old workings and to serve as a secondary escape and a source of additional ventilation, and the other a decline to the northwest toward additional mineralized bodies identified in previous drilling. The southeastern heading achieved its objectives in October 2009. The northwestern heading encountered the southern extensions of the predicted mineralized bodies in August 2009. Other level drifts have been developed from the original northwest heading to develop stope panels. Over 12,400 feet of underground development has been accomplished and work is proceeding on several headings. Stope development and test mining of ore bodies has been carried out and an ore panel referred to as the S-1 stopewas developed for extraction by blasthole stoping. Blasthole drill levels were driven in this panel at vertical intervals of 50 feet at four elevations, with the objective of beginning blasthole stoping operations and ramping up production to the full production rate of 400 tons per day. Stoping commenced in November of 2011, and the production rate goal was achieved at the mine during Q2 of calendar 2012. Assays of mineralized bodies encountered to date show variable silver and gold values, with occasional very high grades encountered, as is to be expected from this style of epithermal mineralization. Mineralized material encountered in mine development activities is segregated at the mine and trucked to the Lordsburg mill site. Development operations are proceeding on the basis of two 10-hour shifts five days a week. Present operations are focused on accelerating access to higher grade portions of the mineral resource to the northwest and below the current development level.

At the Banner mill, processing operations commenced in April 2010. Commissioning of the mill proceeded satisfactorily. Sales of ore as silica flux and sales of precious metals flotation concentrates began in 2010. Ramp-up of mill throughput is taking place in conjunction with increased output from the Summit mine. The mill and flux output are expected to match the mine full tonnage production rate in Q3 of calendar 2012.

Operating Results

Ongoing development has resulted in increased production of mineralized material from the Summit mine. Resulting materials processed through the Banner mill or shipped as smelter flux for fiscal year 2012 (July 2011 through June 2012) totaled 54,679 dry tons averaging 4.55 opt (ounces per ton) Ag and 0.080 opt Au. Approximately 45% of this production was derived from the S-1 and S-2 stoping areas, and the remainder came from development drifts in the S-1 and N-1 areas.

Production for the fiscal year ended June 30, 2012 is summarized as follows:

Material Destination	Dry Tons	opt Ag	opt Au
Asarco Smelter (Hayden AZ)	12,016	5.42	0.081
Freeport McMoran Smelter (Miami AZ)	12,605	4.45	0.081
Banner Mill (Lordsburg NM)	30,057	4.24	0.079
Total Production July 2011 thru June 2012	54,678	4.55	0.080

Total production from inception in 2010 through the fiscal year ended June 30, 2012 is summarized as follows:

Material Destination	Dry Tons	opt Ag	opt Au
Asarco Smelter (Hayden AZ)	17,141	5.92	0.085
Freeport McMoran Smelter (Miami AZ)	14,878	4.54	0.078
Banner Mill (Lordsburg NM)	59,023	4.02	0.070

Total Production July 2010 thru June 2012	91,011	4.46	0.074

The Banner mill produces a flotation concentrate which during fiscal year 2012 was shipped to the Aurubis smelter in Germany. During the fiscal year, 181.2 tons of concentrate were sold to Aurubis with a total payable metal content (after smelter payment deductions) of 1,413 ounces of gold and 80,299 ounces of silver. The total flux shipments of 24,621 tons yielded 1,299 ounces of payable gold and 103,548 ounces of payable silver. Combined metal production was 2,712 ounces of payable gold and 183,847 ounces of payable silver.

Potential Expansion of Proposed Initial Operation

Establishment of the proposed mining operation at Summit potentially allows the Company to further expand the current base of mineralized material at the Summit deposit and to develop other properties in the Steeple Rock mining district. The Banner flotation mill at Lordsburg also might generate mining and processing opportunities from our ground holdings adjacent to the Banner mill site in the Lordsburg mining district and/or from surrounding mining districts, several of which historically have yielded substantial production of base and precious metals.

Ortiz Gold Project

Overview

In August 2004, Santa Fe acquired exclusive rights for exploration, development and mining of gold and other minerals on 57,267 acres (approximately 90 square miles) of the Ortiz Mine Grant in Santa Fe County, New Mexico. In November 2007, we relinquished 14,970 acres and retained under lease 42,297 acres (66 square miles).

In December 2005, using historical estimations of mineralized material, we received the results of an independent scoping study for the open pit mining of the Carache and Lucas gold deposits. The study assessed various processing options for development and provided estimations of capital and operating costs for each option. The report concluded that the financial results indicated a favorable gold project employing high pressure grinding rolls with gravity recovery and contract mining. The report also stated that considerable upside existed in estimations of mineralized material in both contained ounces and grade. We currently have not established proven or probable reserves on the Ortiz gold property.

We plan to proceed with studies necessary to advance the Ortiz project. This work will include an assessment of the historical mineralized material calculated from previous drilling, metallurgical testing and design of conceptual open pits for the Carache and Lucas deposits. This work will form the basis for further evaluation of mining and processing options and a preliminary economic assessment. We also intend to begin an assessment of permitting and environmental issues, which would be important for any mining development.

Location and Access

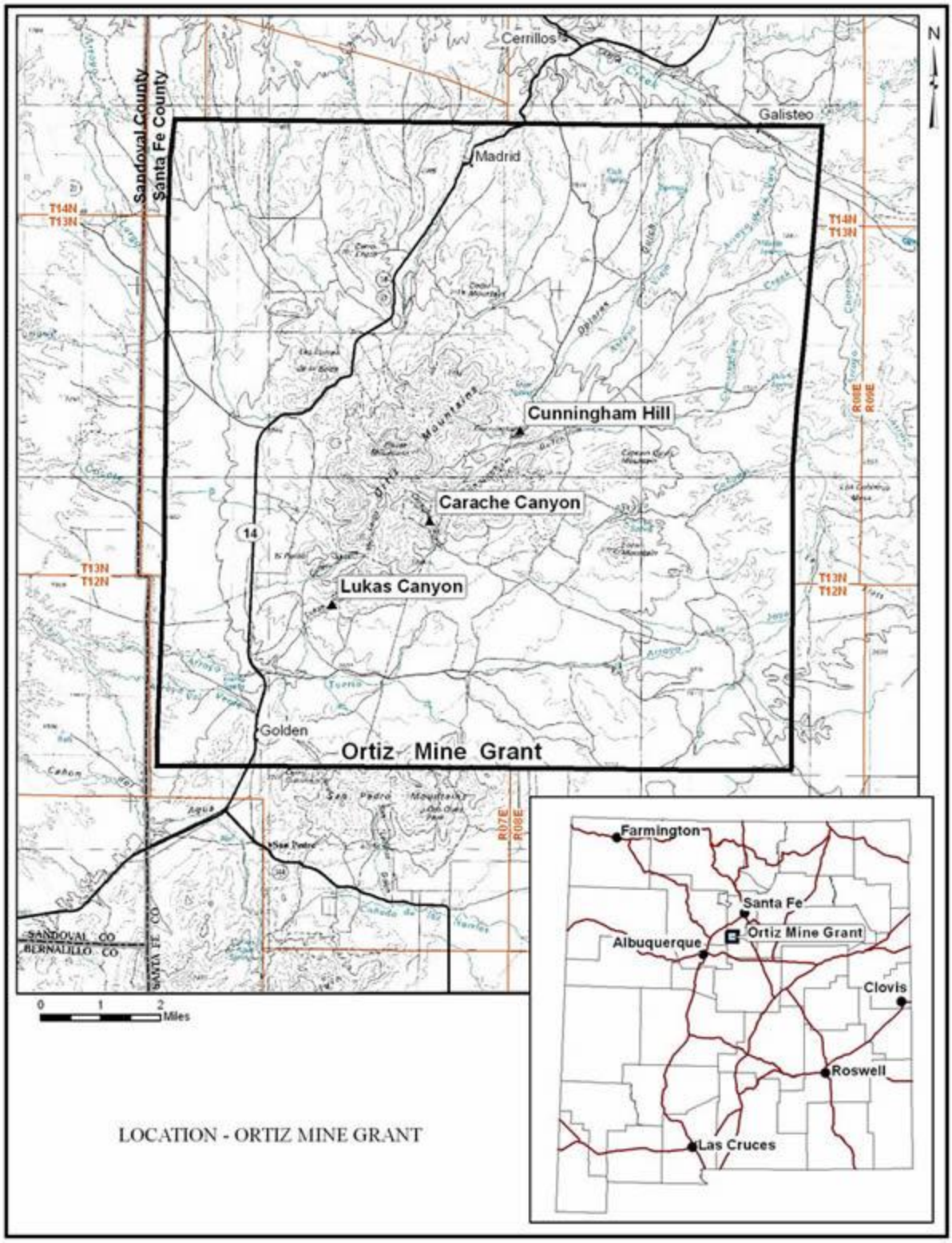
The Ortiz Mine Grant, over which we hold a lease on the mineral estate underlying 42,297 acres (66 square miles) of segregated surface estate, is located 30 miles by road northeast of Albuquerque, in Townships 12, 13 and 14 North, Ranges 7 and 8 East, N.M.P.M., Santa Fe County, New Mexico. The villages of Golden, Madrid and Cerrillos, with a combined population of less than 1,000 people, lie in and adjacent to the Grant. Paved New Mexico Highway 14 traverses the western portion of the Grant. The main line of the Santa Fe Railway crosses the northeast corner of the Grant. A network of unimproved ranch roads provides access to the various land holdings. High-voltage electric power lines cross the southern part of the Grant.

Terrain in the Grant is hilly to mountainous, with elevations ranging from 6,000 feet in the valleys to nearly 9,000 feet in the Ortiz Mountains. Annual participation averages 12 inches. Vegetation is sparse but varied as is typical of the high deserts of the Southwest.

The Grant is largely undeveloped and population is sparse. The land is utilized mainly for cattle grazing. Other activities include limited subdivision development in the northern part of the Grant, and mine reclamation work at the former Gold Field Ortiz (Cunningham Hill) mine site.

Figure X.2

Claim Boundary Map



LOCATION - ORTIZ MINE GRANT

Mineral Title

On August 1, 2004, we entered into an option and lease agreement with Ortiz Mines, Inc. ("Ortiz Mines"), a New Mexico corporation, whereby we acquired exclusive rights for exploration, development and mining of gold, silver, copper and other minerals on 57,267 acres (approximately 90 square miles) of the Ortiz Mine Grant in Santa Fe County, New Mexico. In November 2007, we relinquished 14,970 acres and retained under lease 42,297 acres (66 square miles). We paid an initial sum of $20,000 for a six-month option, and on February 1, 2005, paid the additional sum of $30,000 in order to exercise the option and enter into the lease and also to satisfy the obligation of the first year's lease payment. Since February 1, 2006, we have paid annual lease payments, the last payment of $130,000 in January 2012 satisfying the lease payment through January 31, 2013.

On May 1, 2010, we agreed with Ortiz Mines, Inc., to amend the terms of the lease. Under the amended terms, the lease provides for an extension of the initial term from seven to ten years (17 years in certain circumstances), continuing year-to-year thereafter for so long as we are producing gold or other leased minerals in commercial quantities and otherwise are performing our obligations under the lease. Among other terms, the amended lease provides for annual lease payments of $130,000; a sliding-scale production royalty varying from 3% to 5% depending on the price of gold; the requirement that we comply with governmental permitting and other regulations; and other terms common in mining leases of this type. The Ortiz gold project is subject to a property identification agreement between us and our President and Chief Executive Officer. *See* **Item 13. " Certain Relationships and Related Transactions"**.

On August 31, 2011, the Company filed a Complaint in the United States District Court for the District of New Mexico against Ortiz Mines, Inc., in connection with Ortiz Mines purported termination of the Company's exclusive leasehold rights to explore, develop and mine gold, silver, copper and other minerals on the Ortiz Mine Grant in Santa Fe County, New Mexico. On May 22, 2012, the parties settled the litigation between them. The settlement agreement confirmed the continuation of Santa Fe's exclusive leasehold rights. In connection with the settlement, we agreed, subject to certain qualifications, to expend at least $500,000 by November 22, 2012, and a total of $1,000,000 by May 22, 2013, on work programs in support of project development.

History of Mining and Exploration

Prospecting and mining of gold and silver in the Ortiz area dates to the arrival of the first European (Spanish) settlers in 1598. Significant gold production from Ortiz placers dates to 1821. By 1832 several veins and low-grade gold deposits had been discovered. In 1833 the Ortiz Land Grant, an area about 10.7 miles square centered on the Ortiz gold vein, was registered and possession given by the First Alcade of the City of Santa Fe. By the early 1840's, mining at the small underground Ortiz Mine had ceased. In the late 1800's and early 1900's, sporadic attempts at commercial mining of lode and placer gold deposits were unsuccessful due to lack of water and/or low grades. Total pre-1980 mine production has been estimated as about 100,000 ounces of gold.

The entire Grant was validated by the United States in 1860 under the terms of the Treaty of Guadalupe Hidalgo. The owners received fee simple title to the surface and minerals and the area became known as the Ortiz Mine Grant. Subsequently the Grant changed hands and the surface was sold subject to reservation of the mineral estate. In 1959 the mineral-interest owners and associates formed Ortiz Mines, Inc. for the purpose of promoting and marketing the mineral estate.

In 1973, Consolidated Gold Fields leased the eastern portion of the Grant from Ortiz Mines, Inc. and developed and mined the Cunningham Hill deposit (Ortiz Mine). In the period 1980-1986, Gold Fields produced approximately 250,000 ounces of gold from an open-pit, heap-leach operation.

From 1972 through the early 1990's, several companies operating under lease with Ortiz Mines, Inc. carried out exploration and pre-development activities in the western portion of the Grant. These companies included Conoco, Inc., LAC Minerals (USA), Inc. and the LAC-Pegasus Joint Venture. Expenditures by these groups are

estimated to have exceeded $40 million. Drilling resulted in the identification of gold mineralization in several deposits.

The LAC-Pegasus Joint Venture carried out the majority of the work in the western portion of the Grant, from 1989-1992. The Joint Venture focused on gold mineralization in two deposits in the southwestern part of the Grant, namely the Carache Canyon ("Carache") and Lucas Canyon ("Lucas") deposits. These two deposits were the subject of 386,000 feet of core and reverse-circulation drilling, metallurgical testing and pre-feasibility studies carried out by the LAC-Pegasus Joint Venture and by consulting firms and contractors engaged by the Joint Venture.

Independent Mining Consultants, Inc. ("IMC"), an independent geological engineering firm, was engaged by the LAC-Pegasus Joint Venture to audit estimations of the quantities and grades of in-place mineralized material at the Carache and Lucas deposits and to prepare conceptual open pit mine plans. IMC used indicator kriging as the estimation method. In 1992, IMC estimated the Carache gold deposit to contain mineralized material of 11.0 million tons grading 0.058 ounces of gold per ton. IMC estimated the Lucas gold deposit to contain mineralized material of 12.7 million tons grading 0.033 ounces of gold per ton.

Under SEC Guideline 7, proven and probable reserves have not been established on the Ortiz deposits. All of the mineralization described above is referred to as "mineralized material". Mineralized material constitutes a mineralized body that has been delineated by one or more of a number of methods, including drilling, underground work, surface trenching and other types of sampling to establish continuity and support an estimate of tonnage and average grade of the selected metal. Mineralized material does not include tonnages or grades estimated using geologic inference. A deposit of mineralized material does not qualify as a reserve until a comprehensive evaluation based upon unit costs, grade, recoveries and other factors concludes economic and legal feasibility.

In 1989, the LAC-Pegasus Joint Venture started a decline adit into the Carache deposit for the purpose of bulk sampling and to provide drilling access for shallow and deep exploration targets. However, after advancing 1719 feet the decline was halted due to a temporary water inflow coupled with regulatory issues. In the face of a declining gold price, mining development of the Carache or Lucas deposits did not proceed, and the project ultimately was cancelled and the lease returned to Ortiz Mines, Inc. Subsequently, no additional exploration was carried out and the property remained dormant until we leased it in August 2004.

Geology and Mineralization

The Ortiz Mine Grant is underlain by mid-Tertiary monzonite and latite porphyry stocks, plugs, dikes and sills that have intruded Paleozoic to early-Tertiary sedimentary rocks. The intrusive rocks are part of the Ortiz Porphyry Belt, which comprises from north to south, the Cerrillos Hills, the Ortiz Mountains, the San Pedro Mountains, and South Mountain. Structurally, the Grant straddles the Tijeras-Canoncito fault system, a northeast trending zone of fault-bounded horsts and grabens. This fault zone is a segment of a deep-seated crustal break that has been active intermittently since Precambrian time and has provided a zone of weakness for the emplacement of granitic magmas and associated mineralization. Late-stage volcanism resulted in the formation of breccia pipes and zones of intense fracturing that provided access for hydrothermal fluids carrying gold, silver, tungsten, molybdenum and base metals.

The Ortiz Porphyry Belt exhibits a number of styles of mineralization that occur in a variety of geologic settings:

- Gold-tungsten mineralization in a breccia pipe at Cunningham Hill adjacent to a volcanic vent, the Ortiz diatreme.
- Gold mineralization associated with a collapse breccia at Carache Canyon.

- Copper and gold disseminated in stockworks and fractures in monzonite at the Cunningham Gulch (gold) and Cerrillos (copper-gold) deposits (bulk tonnage low-grade "porphyry"-type deposits).
- Copper – gold skarns in calcareous rocks at Lucas Canyon and San Pedro.
- Lead – zinc – silver veins at the Cash Entry and other old mines north of Cerrillos.
- Lead – zinc – silver pipe-like mantos in limestone at the Carnahan mine, San Pedro area.
- Molybdenite in stockworks and fractures in the San Lazarus monzonite stock, San Pedro area.
- Placer gold deposits on Cunningham Mesa, on the northern pediment of the San Pedro Mountains, and in most of the arroyos draining the Ortiz and San Pedro Mountains.

At the Carache gold deposit, relatively coarse-grained free gold is contained in open space fractures developed in four gently dipping andesite porphyry sills and a sandstone unit around the collapsed margins of a breccia pipe. At the Lucas gold-copper deposit, mineralization occurs in garnet skarn developed in a limestone unit, the outcropping portion of which forms a dip slope at the surface.

Scoping Study of the Carache and Lucas Gold Deposits

In October 2005, we commissioned Mineral Advisory Group, LLC ("MAG") of Tucson, Arizona, an independent geological engineering firm, to carry out an engineering review and scoping study of the Carache and Lucas gold deposits, utilizing as a technical base the information generated by the LAC-Pegasus Joint Venture in 1989-1991. MAG's study, which was completed in December 2005, assessed various processing options for development and provided estimations of capital and operating costs for each option.

The MAG report was prepared in accordance with different standards than those prescribed by rules of the SEC. The SEC only permits the disclosure of proven or probable reserves, which in turn, require the preparation of a feasibility study demonstrating the economic feasibility of mining and processing the mineralized material. We have not received a feasibility study with regard to our Ortiz property. We currently have not established proven or probable reserves on the Ortiz property.

The processing options MAG analyzed included heap leaching, ball milling/gravity concentration, and high pressure grinding rolls/gravity concentration ("HPGR option"). The optimum processing route was identified as the HPGR option. The HPGR option was estimated to be able to achieve gold recovery employing simple gravity concentration while minimizing capital and operating costs. As compared to heap leaching (the processing route previously advanced by the LAC-Pegasus Joint Venture), the HPGR option also potentially would have advantages with respect to environmental disturbance and permitting in that the area of surface disturbance would be smaller, chemicals would not be required in processing and there would be less water usage.

MAG's report concluded, "The financial conclusions drawn from this study indicate a very favorable project employing High Pressure Grinding Rolls with gravity recovery and contract mining." The report also stated that upside exists in estimations of mineralized material in both contained ounces of gold and grade, as had been concluded previously by the LAC-Pegasus Joint Venture.

Under SEC Guideline 7, proven and probable reserves have not been established on the Ortiz deposits. All of the mineralization described above is referred to as "mineralized material".

Permitting

Mining and processing operations at the Ortiz gold property would require permits from the state and federal governments and also would be subject to county regulations. We have not applied for or obtained such permits, which require the completion of additional technical, environmental and other work. We may be unable to obtain

such permits in a timely manner, on reasonable terms, or at all. If we cannot obtain or maintain the necessary permits, or if there is a delay in receiving such permits, any timetable and business plan for development and mining of the Ortiz gold property could be adversely affected.

Work Program

Over the next 12 months, we plan to conduct additional studies necessary to advance the Ortiz project. The work planned includes carrying out a NI43-101 report and preliminary economic assessment of the Carache and Lucas gold deposits. The study will include bringing current the historical resources from previous drilling, additional metallurgical testing, and redesign of open pits. We plan also to proceed with surface access agreements and to begin baseline environmental surveys. Results from these studies will form the basis for further evaluation of development options. We expect this work to form a sound basis upon which to formulate plans and budgets for advancement of the Carache and Lucas gold deposits.

We also plan to continue evaluation of the large 66 square mile area under lease for its exploration potential for new discoveries of gold and copper deposits. In this regard, we will continue to utilize the large quantity of existing geological, geochemical, geophysical and drilling data.

We have budgeted $1,000,000 for the work to be carried out over the next 12 months which is included in our 12 month and 36 month capital requirements listed in ITEM 7.

Black Canyon Mica Project

Overview

Santa Fe acquired the Black Canyon mica project in 1999 and spent $15 million in establishing mining and processing facilities at the mine site north of Phoenix, Arizona, and at a separate processing plant in Glendale, Arizona. In 2002, we commissioned the processing facilities at the mine site and in Glendale, operated for several months on a test basis and achieved limited production and commercial sales. However, design capacity of the processing facilities was not achieved due to undercapitalization. In November 2002, after unsuccessful attempts to raise the additional capital necessary to expand plant capacity in order to reach design capacity and to provide working capital, we suspended crushing and concentrating activities at the Black Canyon mica mine. After the suspension of operations, limited production, marketing and sales continued through 2005 at the Glendale mica processing facility using inventoried mica. Subsequently, we removed the processing equipment from the Glendale plant and Black Canyon mine and placed it into storage.

While it operated on a test basis in 2002, the project achieved limited production and commercial sales. The operation was successful in achieving two important objectives. First, it demonstrated the facilities were capable of producing the planned range of products. Second, it validated the high quality and market acceptability of the two main product lines, namely high-end wet-ground mica, targeted for high value applications in the plastics and cosmetic industries; and feldspathic sand, targeted for the Phoenix construction and recreational markets.

In 2003-2005, Santa Fe sold, from inventory, limited quantities of its engineered mica-filled plastic pellets and mica powders to a number of companies, including Dupont Canada and Revlon. The commercial orders to Dupont followed a program of testing and product development conducted jointly with Dupont. Dupont used Santa Fe Gold’s plastic pellets in its own formulations to produce plastic end products that it supplied to the automotive industry. Santa Fe Gold also supplied its high quality mica powder to the cosmetic industry through distributors, with Revlon as one of the important customers.

In 2003, we sold our entire inventory of feldspathic sand to customers in the Phoenix area.

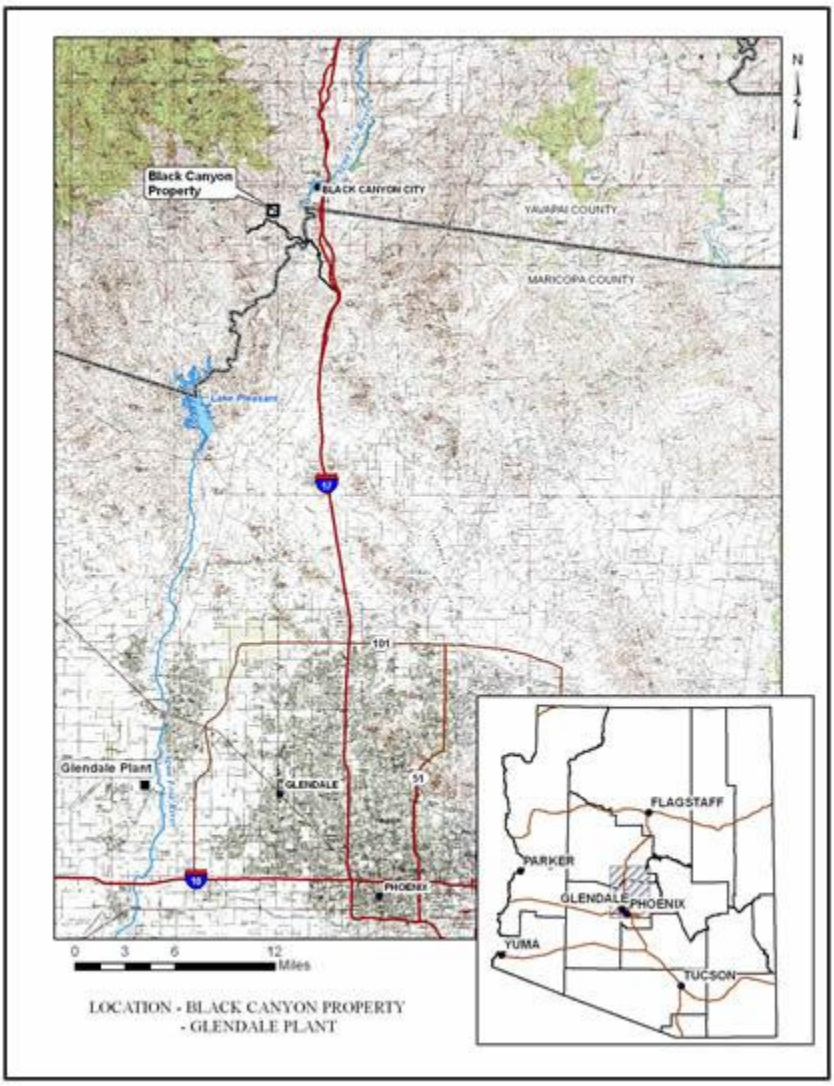
Santa Fe is seeking a joint venture partner to contribute new funding in the amount of $10.0 million to reinstall the mica processing equipment at a new location, to upgrade and expand the mining facilities in order to reach planned capacity and to provide working capital. These expansions are required in order to achieve the higher throughput necessary for sustained economic operation.

Location and Access

The Black Canyon mine is located 30 miles north of Phoenix, Arizona, and 3.5 miles west-southwest of Black Canyon City. It can be reached via U.S. Interstate 17, which connects Phoenix with Flagstaff, and by a connecting dirt road for the last eight miles. The Glendale processing plant was located in an industrial area on the west side of Phoenix, Arizona, 47 miles to the south of the mine site.

Figure X.3

Claim Boundary Map



LOCATION - BLACK CANYON PROPERTY
- GLENDALE PLANT

Mineral Title

Our property holdings at and around the Black Canyon mine consist of 67 federal unpatented mining claims in Yavapai County, Arizona and 9 federal unpatented mill site claims in Maricopa County, Arizona, which in total cover approximately 1,385 acres. The claims are located on public land and held pursuant to the General Mining Law of 1872. We fully own the mining rights and believe the claims are in good standing in accordance with the mining laws of the United States.

In order to maintain our claims in good standing, we must pay annual assessment fees to the Bureau of Land Management and record the payment of rental fees with Yavapai and Maricopa Counties. Annual assessment and recording costs total approximately $11,000. We have paid the required fees for the 2012 and 2013 assessment years (September 1, 2011 through August 31, 2013).

Mining and Processing Facilities

The Black Canyon project formerly consisted of two integrated operating facilities. The mine site west-southwest of Black Canyon City contains the mineralized material. The crusher, the concentrator and the feldspathic sand plant were located at the mine site. These facilities depended on diesel generators for power. Our plans called for mining to be carried out by conventional open pit methods. The mineralized material would be trucked from the pit and delivered to a nearby stockpile located adjacent to the crusher and concentrator. Mica flakes would be separated from the pegmatite host rock in a process that involves multi-stage crushing and screening to -3/16” size. Mica would be concentrated from the crushed material utilizing air classifiers. The resulting concentrate, containing 95% mica, would be trucked to the processing plant for further processing.

In the mica concentrating process at the mine site, the majority of the crushed host rock, which otherwise would be discarded as waste, would be converted into feldspathic sand for sale into the local Phoenix market. Processing of the feldspathic sand would involve screening and magnetic separation to yield sand fractions of various sizes. The sand products would be either bagged for shipment or trucked in bulk to customers.

During 2002-2004, we processed mica concentrate at the 5-acre Glendale plant and office site on the west side of Phoenix. The processing was designed to achieve the desired product sizes and meet the quality requirements of the market place. The plant was housed in an 18,000 square foot steel framed building, where equipment was installed for wet grinding, dewatering, drying, and air classification and bagging. The final products were placed into 50-pound bags or into 1000-pound supersacks ready for shipment to customers.

Permits

In 1999, we obtained approval for the Black Canyon Plan of Operations from the Bureau of Land Management and the State of Arizona. An Environmental Assessment, Clean Water Act Permit and Air Quality Procedures were all approved. An Aquifer Protection Permit was not required because processing operations at the mine site did not propose the use of water. We have completed reclamation of the mining site as required under the Plan of Operations. Any redevelopment of the Black Canyon project would require repermitting.

Geology and Mineralization

The mica deposits occur as pegmatite dikes cutting Precambrian schist and granite. These dikes are steeply dipping tabular bodies, continuous along strike and with depth. The main pegmatite dikes are hosted by the schist and have a northeasterly trend parallel to the structural grain of the schist. Because the light colored pegmatite dikes

are more resistant to weathering than is the enclosing schist, the dikes stand out at the surface as elongated light colored ridges relatively easy to discern and to map geologically.

In the area of the drilled mineralization, a concentration of pegmatite occurs as a dike swarm and as massive irregular bodies of pegmatite. An associated major structure, the Central Pit fault, appears to have created a zone of dilation that provided open space for intrusion of the pegmatite. Drilling has identified seven individual dikes that range from approximately 4 feet to over 20 feet in thickness. At the surface, massive pegmatite crops out over a width exceeding 50 feet.

The minerals of potential economic value are all found associated with the pegmatite dikes, and consist of muscovite mica, feldspar and silica. Muscovite mica, the principal commodity, constitutes a major accessory mineral of the pegmatite dikes and is ubiquitous in the pegmatite. Based on visual estimates of drill core, the content of muscovite in the pegmatite ranges from 5% to 35%. The muscovite is light to whitish green in color and occurs as discrete, coarse-grained inclusions as well as fine-grained disseminations in the pegmatite. Feldspar and silica, by-products of the proposed mining operation, make up most of the remaining component minerals of the pegmatite on about a 1:1 ratio.

Estimation of Mineralized Material

In 1998 and 1999, we drilled 41 inclined core holes and collected 59 samples of pegmatite exposed on the surface, at two central locations. The drill holes and surface samples were spaced approximately 50 feet apart. The holes ranged from 200 to 600 feet in length, and drilling totaled 13,070 feet. The drilling covered only a small portion of the zones of outcropping mica-bearing rocks mapped on our mining claims.

Mintec Inc., an independent geological engineering firm, analyzed our drilling and sampling results, designed the mining plan and calculated an estimation of mineralized material. In-place mineralized material for the pit design was calculated as 2,399,500 tons of material grading 7.54% mica and 1,527,200 tons of additional material grading 7.37% mica, for total mineralized material of 3,926,680 tons grading 7.48% mica, at a cutoff grade of 2.47% mica. Approximately 60% of the mica contained in this mineralized material is expected to be recoverable after losses due to mining and beneficiation.

Mica

Our mineralized material contains high quality muscovite or “white mica”. Mica is a mineral characterized by crystals that can be easily split into thin elastic sheets and is valued for its unique combination of chemical, physical, electrical, thermal and mechanical properties. Muscovite exhibits perfect cleavage, flexibility and elasticity, infusibility, low thermal and electrical conductivity, high dielectric strength, light weight, good insulating characteristics, and is stable when exposed to moisture, light and high temperatures. Because of these properties, muscovite has found widespread application in plastics, automotive coatings, cosmetics, paints, catalysis and composite formulations. We believe, once adequate financing is obtained, that the project has the potential to produce 10,000 tons (20 million pounds) annually of premium wet-ground mica. For the project to be successful, we would need to penetrate existing markets and to establish our own markets in plastics, cosmetics and ultra-micronized applications.

Feldspathic Sand

Our feldspathic sand was produced as a by-product of mica concentration and was screened and sized for sale into the Phoenix construction and recreational markets. Products included golf course bunker sand and sand used in stucco, mortar and other specialized construction applications. The project is designed to produce 180,000

tons of feldspathic sand products annually. The demand for manufactured sand in the Phoenix construction market has decreased significantly in recent years because of the collapse in the housing market.

Sand producers in California and Nevada supply sand to the Phoenix manufactured sand market. Because the material has to be trucked long distances in order to reach Phoenix, trucking costs are significant and constitute a substantial proportion of the final selling price. The location of our Black Canyon mine only 30 miles from Phoenix may provide a transportation cost advantage over competitors who import sand into Arizona.

Work Program

Over the next 12 months, we plan to seek a joint venture partner to contribute the estimated $10.0 million in new funding necessary to advance the Black Canyon mica project to full production. The new funding would be used to fund an updated feasibility study, re-establish crushing and concentrating facilities at the Black Canyon mine, install the mica processing equipment at a new location and upgrade and expand the mining and processing facilities in order to reach planned capacity and to provide working capital. These expansions are required in order to achieve the higher throughput necessary for sustained economic operation. As an alternative to arranging the $10.0 million of new funding required for production, we are seeking to divest of the project.

Planet Micaceous Iron Oxide ("MIO") Project

Overview

In 2002, Santa Fe leased the Planet property for its potential to produce micaceous iron oxide ("MIO"). In August 2008, we exercised our option to purchase the property. The Planet property consists of thirty-one patented mining claims totaling 523 acres located in western Arizona.

MIO is an uncommon flake-like form of crystalline hematite (Fe2O3) valued for the anti-corrosive properties it contributes to coatings formulated to protect structural steelwork. MIO is an increasingly recognized eco-friendly base pigment used in coating systems on many of the world's largest bridges, oil rigs, production platforms, transmission towers, pipelines, industrial plants and superstructures.

Results of work to date indicate the Planet property contains a MIO deposit, one of the largest deposits of its kind in the world and unique to North America. The deposit appears to have the characteristics necessary to produce MIO from open pit mining at a relatively low production cost as compared to commercial operations currently in production. Metallurgical work suggests that a high quality MIO product may be able to be successfully produced. As is characteristic of industrial mineral operations, marketing would play a critical role in the success of any new MIO operation and is identified as an important factor for successful development.

We plan to continue pre-feasibility assessment of the Planet project.

Location and Access

The Planet property is located in the northwest corner of La Paz County, west central Arizona. It lies just south of the Bill Williams River twelve miles above its junction with the Colorado River. The property is reached by road, either via the Swansea gravel road, twenty-eight miles north from the town of Bouse; or via the Osborne Well paved and gravel road, twenty-five miles east from the town of Parker.

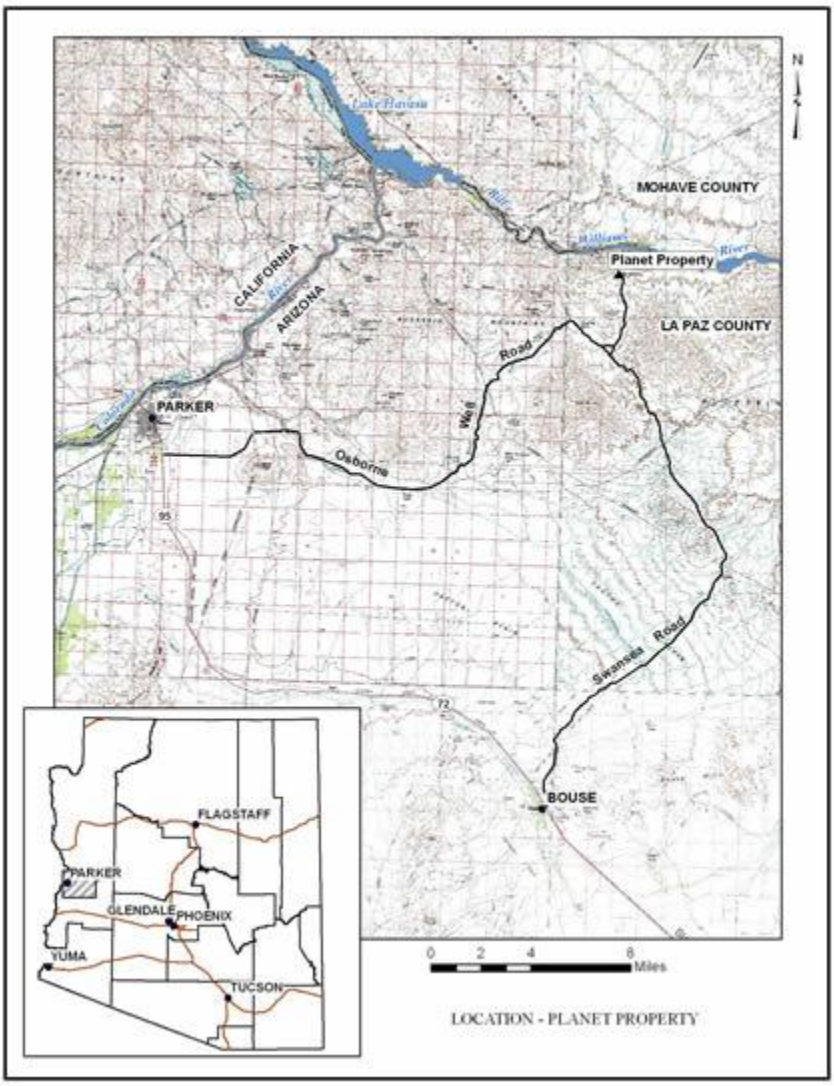
The topography of the property is rugged, with hills 100 to 500 feet high cut by numerous steep-sided canyons. Average elevation is 800 feet. The desert climate is typical of western Arizona, hot and dry in summer but mild in winter. Vegetation is sparse and confined mainly to the bottoms of the larger drainages.

The project is well served by existing infrastructure for both construction and operation. All-weather roads connect the Planet property to the town of Parker, situated on the Colorado River with a population of about 4,000. Highways connect Parker to two east-west interstate trucking routes, I-10 and I-40, respectively 35 miles to the south and 60 miles to the north. Parker also is served by the Arizona & California Railroad, which is part of the national rail system.

Electric power, water and other infrastructure are readily available at industrial sites in Parker. Fabrication and construction services, and a wide range of commercial and support services also are available in Parker and other nearby communities. The labor force required for a plant operation could be sourced locally.

Figure X.4

Claim Boundary Map



Mineral Title

The property consists of thirty-one patented mining claims totaling 523 acres, comprising an area 3,600 feet wide by 8,000 feet long. We leased the property, with an option to purchase, in September 2000 from the underlying owner, New Planet Copper Mining Company, for its potential to produce MIO. In 2008, in settlement of a dispute with the owner, we agreed to exercise our option to purchase the property for the purchase price of $250,000. We paid an initial purchase payment of $50,000 in 2008 and payments of principal and interest of $63,094 each in 2009, 2010 and 2011. One payment of $63,094 remains to be paid in 2012. There also is provision for a 5% royalty to be paid on any future production.

History of Mining and Exploration

The Planet deposit was worked for its copper value from 1863 until l884, and then intermittently through the early 1900's. Several shafts were sunk and 8,000 feet of underground workings were developed. High-grade copper ore was extracted and shipped to Swansea, Wales, and to San Francisco. The last mining activity took place between 1915 and 1918 when all remaining high-grade ore was mined and shipped. In total, the property produced approximately 50,000 tons of ore grading 10% copper.

Between 1942 and 1944, the U. S. Bureau of Mines investigated the quantity and quality of mineralized material containing iron oxide at the Planet deposit. This work was conducted as part of the wartime evaluation of potential domestic sources of strategic minerals, including sources of iron ore for the steel industry. The Bureau carried out geologic mapping and sampling, and conducted drilling programs utilizing both churn and diamond drilling methods. The information that resulted from this work was compiled and recorded in Report of Investigations 3982, "Exploration of the New Planet Iron Deposit". We believe that the information is reliable and of good quality. In 1945, it was used by the Bureau to calculate the tonnage and grade of mineralized material containing iron oxide at the Planet deposit.

Work Completed

Work completed since acquisition of the project includes recovery and surveying of the U. S. Bureau of Mines drill holes from 1942-1944; aerial photography and production of orthophotographs and topographic base maps; compilation of a comprehensive digital database and construction of a computerized block model incorporating all geological, geochemical and assay data; estimations of tonnage and grades of mineralized material containing iron oxide; design of conceptual open pits; preliminary metallurgical testing of MIO material; studies of MIO markets; and conduct of scoping studies to assess the project's potential for production.

Geology and Mineralization

At the Planet deposit, MIO deposits associated with a mid-Tertiary, flat-lying, regional detachment fault are found in the Triassic Buckskin Formation. Rocks in the upper plate above the fault are composed of schist, limestone, hydrothermal carbonate and quartzite. Lower-plate rocks are gneisses. The upper and lower plates are separated by fault breccias up to 60 feet thick. The main mineralized bodies at the Planet deposit are found in the lower part of the upper plate, adjacent to and above the detachment fault. They occur as tabular replacements of hydrothermal carbonate, limestone and schist. The overall trend of the mineralized bodies is north fifty-five degrees east, and the plunge is eight to nine degrees to the southwest. Individual bodies dip ten to twenty degrees to the northwest.

The mineralized bodies form discontinuous lenses, irregular bodies and veins that individually are as much as 700 feet long, 250 feet wide, and 50 feet thick. Mineralized material consists dominantly of specularite and

massive hematite with some limonite, malachite, azurite, chrysocolla, and minor pyrite, chalcopyrite, bornite, gold, and silver. Associated minerals include quartz and calcite. The mineralized material is silicified and very hard at the surface and to a depth of ten feet, but underground it is soft and powdery.

The U. S. Bureau of Mines and Santa Fe each estimated the quantities and grades of mineralized material containing iron oxide at the Planet deposit. In 1945, the Bureau of Mines estimated the deposit contained 1.4 million tons averaging 60 percent iron (85.8% Fe_2O_3). The Bureau based this estimation on work it had carried out during 1942-1944, including drilling of twelve churn holes aggregating 3,742 feet, and ten diamond holes totaling 569 feet; and mapping, surveying, and sampling of surface outcrops and underground workings.

Our new, more detailed estimations employed computerized analytical methods and construction of a block model. We estimated that a total of 1.4 million tons of mineralized material grading 44.4% iron would be contained in three conceptually designed open pits. In carrying out our study, we compiled a comprehensive digital database incorporating relevant information from all sources. The database relied heavily on the information available from the Bureau of Mines, including geologic and assay data from drill holes, and results of surface and underground channel sampling. The database contained new survey information that tied the locations of drill holes and underground workings to accurate topographic maps generated from aerial photographs.

The SEC only permits the disclosure of proven or probable reserves, which in turn, require the preparation of a feasibility study demonstrating the economic feasibility of mining and processing the mineralized material. We have not received a feasibility study with regard to our Planet property. We currently have not established proven or probable reserves on the Planet property.

Conceptual Mining and Processing Plan

As presently conceived, the Planet mining and processing operation would involve open-pit mining of MIO mineralized material, primary crushing of the material at the mine site, and trucking of the crushed material twenty-five miles to a processing plant to be located at an industrial site near Parker. At the plant site, metallurgical processing would be straightforward, and based on results from preliminarily metallurgical testing, would include grinding, classification, selective flotation or other method of separating the MIO, and filtration and drying to yield recovery of MIO and red iron oxide, a secondary product. A stockpile of mineralized material sufficient for plant operation would be maintained at the plant site. Because only small tonnages of material would need to be mined during the early years of operation, we believe mining and related activities would be carried out most efficiently on a periodic, campaign basis utilizing outside contractors. The project is well situated with respect to development infrastructure and transportation networks. MIO mineralized material is non-toxic and we see no significant environmental issues that would hinder development.

Micaceous Iron Oxide

MIO is an uncommon flake-like form of crystalline hematite (Fe_2O_3) valued for the anti-corrosive properties it contributes to coatings formulated to protect structural steelwork. MIO improves UV stability, adhesion, surface tolerance and abrasion resistance, and significantly increases coating life. It also has the advantage of being non-toxic to the environment. In Europe and Asia, MIO is the most important barrier pigment used to protect structural steelwork from corrosion. For many years it has been employed with outstanding success on bridges, oilrigs, transmission towers, pipelines, storage tanks, industrial plants and structural steelwork of all descriptions. The Eiffel Tower and Sydney Harbor Bridge are two examples.

Based on limited available market data, world production of MIO is estimated to be 20,000-30,000 tons (40-60 million lbs) annually, of which Europe and Asia consume over eighty percent. Prices are quoted in the range $0.40 -$.60 per pound for top quality material. Commercial deposits of high quality MIO are geologically rare. One

supplier from underground mines in Austria has dominated the world market for many years; however, production from that source has been declining. Elsewhere around the world, production comes from only a handful of suppliers, operating on a small scale and, we believe, at high production costs.

The United States uses only a relatively small amount of MIO pigment as compared to other regions of the world. Lack of a domestic source of MIO has forced U. S. paint manufacturers to depend on imports and has restricted market expansion for MIO. The Planet project, if developed, would establish a domestic source of MIO pigment.

Historically, domestic paint manufactures have used zinc, rather than MIO, in anti-corrosion coatings of structural steelwork. However, underlying economic and environmental factors could result in a shift in usage to MIO. Increases in zinc prices, we believe, could create a competitive price advantage for MIO. In addition, MIO is non-toxic to the environment, another advantage that can be expected to grow in future importance.

Lordsburg Exploration Project

In June 2010 we commenced an exploration program on our extensive ground holdings in the Lordsburg (Virginia) Mining District, where we control approximately 1,500 acres of prospective ground, the majority of which is comprised of patented mining claims that we own, and the remainder patented and unpatented mining claims that we lease. To date we have completed an aerial mapping survey covering 30 square miles, carried out data compilation, conducted detailed geologic mapping and sampling, and conducted a geophysical survey. This work has been successful in identifying promising exploration targets, which we plan to drill. Recorded historic production from the Lordsburg Mining District, at today's metal prices, has exceeded $1.0 billion in copper, gold and silver. The majority of this historic production came from mines on ground that we now control. We are conducting the Lordsburg exploration program pursuant to our long term strategy of finding sources of ore to augment ore from the Summit silver-gold mine, in order to fully utilize the excess capacity of the Banner mill.

Glossary

Alluvium	Unconsolidated gravel, sand, silt and clay deposited by streams.
Andesite	A common fine-grained continental lava containing sodium feldspar, no quartz and associated with mountain-making processes.
Argentite	Silver sulfide mineral, a common source of silver.
Argillization	Alteration of feldspars to form clay minerals, especially in wall rocks adjacent to mineral veins.
Azurite	Blue hydrous copper carbonate mineral formed in oxide zone of copper deposit.
Barite	Barium sulfate mineral, the main source of barium.
Bornite	Copper-iron sulfide mineral, an important source of copper.
Breccia	Rock composed of broken rock fragments, found in sedimentary or volcanic environments.
Calcite	Calcium carbonate mineral, the main constituent of limestone and marble.
Chalcopyrite	Copper-iron sulfide mineral, an important source of copper.

Diatreme	Volcanic pipe containing milled breccia that was formed by explosive gaseous venting and upward transport of material.
Dike	Tabular discordant intrusive rock.
Dip	Acute vertical angle that a rock surface makes with a horizontal plane. Direction of dip is always perpendicular to strike.
Electrum	Alloy of silver and gold.
Epithermal	Refers to hydrothermal mineral deposit formed within a few thousand feet of surface at relatively low temperature and pressure, commonly a vein.
Fault	A break in the rocks along which movement has occurred.
Feldspar	Common alumino-silicate mineral containing sodium, potassium and/or calcium, formed in igneous environment and constituting over 60% of the Earth's crust.
Feldspathic sand	Sand containing feldspar and quartz.
Flotation	Metallurgical process that begins concentration of economic minerals from gangue.
Fluorite	Calcium fluoride mineral, also called fluorspar.
Galena	Lead sulfide mineral, the main source of lead.
Gangue	Valueless material accompanying economic minerals in a mineral deposit.

Garnet	Silicate mineral formed at high temperature and found in metamorphic rock and in skarn near the contact zone of igneous intrusive rocks.
Gneiss	Metamorphic rock exhibiting compositional banding formed at depth in a high temperature and pressure environment.
Granite	Common coarse-grained igneous rock composed of light colored minerals including quartz and feldspar.
Heap leaching	A process used for the recovery of precious metals and copper from low-grade ores. Crushed material is laid on an impervious pad and uniformly leached by the percolation of the leach liquor trickling through the beds by gravity to ponds. The metals are recovered by conventional methods from the solution.
Hematite	Iron (ferrous) oxide mineral.
Hydrothermal	Relating to or produced by extremely hot water.
Igneous	Refers to a rock or mineral that solidified from magma, i.e., molten material.
Lava	Rock formed as a result of cooling and solidification of magma (molten rock) poured out on the earth's surface.

Malachite	Green hydrous copper carbonate mineral formed in the oxide zone of copper deposit.
Manto	Tabular or pipe-like mineral deposit formed by selective replacement commonly of limestone beds by mineralizing solutions introduced along faults.
Metamorphic	Refers to rock changed in texture and composition by high temperature and/or pressure deep beneath the surface.
Mica	Group of phyllosilicate minerals, common variety muscovite, with perfect basal (micaceous) cleavage yielding tough, elastic flakes and sheets; colorless, white, yellow, green, brown, or black; common in igneous, metamorphic, and sedimentary rocks.
Micaceous Iron Oxide ("MIO")	Platy variety of specularite used in coatings to protect structural steelwork from corrosion.
Mineralized	Material added by hydrothermal solutions, principally in the form of mineral deposits. Often refers to the presence of a mineral of economic interest in the rock.
Molybdenite	Molydenum sulfide mineral, the main source of molybdenum
Monzonite	Coarse-grained igneous rock containing quartz and composed of approximately equal amounts of sodium and potassium feldspars.
Net Smelter Return	An interest in a mining property held by the vendor on the net revenues generated from the sale of metal produced from the mine.
Ore	Mineral of economic value that can be extracted profitably and legally.
Oxidation	The conversion of sulfide minerals to oxide minerals through weathering at or near the earth's surface.
Paleozoic	The era of geologic time when fish, insects, amphibians, reptiles, and land plants first appeared, about 600 million to 230 million years ago.
Pegmatite	Very coarse-grained igneous rock containing quartz, feldspar and mica, usually found as irregular dikes, lenses or veins, esp. at the margins of granites.
Placer	Deposit of sand or gravel containing concentrations of valuable minerals, typically gold.
Plunge	The vertical angle between a horizontal plane and the line of maximum elongation of a linear geologic feature.

Porphyry	Igneous rock exhibiting a characteristic texture reflecting relatively large feldspar phenocrysts in a fine-grained groundmass.
Precambrian	All geologic time before the beginning of the Paleozoic. It encompasses about 90% of geologic time (…4600-590 million years ago).
Pyrite	Iron sulfide mineral.

Quaternary	A period of geologic time from about 2 million years ago until the present.
Schist	Metamorphic rock exhibiting strong cleavage due to alignment of fibrous or platy minerals.
Sericitization	Replacement of rock by sericitic muscovite due to hydrothermal activity.
Silicification	Introduction of or replacement by silica.
Skarn	Characteristic high-temperature calc-silicate mineral assemblage formed in calcareous rocks near the contact zone of igneous intrusion.
Sphalerite	Zinc sulfide mineral, the main source of zinc.
Specularite	Crystalline form of hematite.
Stratigraphy	The study of rock strata, especially of their distribution, deposition, and age.
Strike	Direction of line formed by intersection of a rock surface with a horizontal plane. Strike is always perpendicular to direction of dip.
Sulfide	A mineral compound containing sulfur but no oxygen.
Tailings	Waste product from ground ore.
Tertiary	The first period of the Cenozoic era during which mammals became dominant and modern plants evolved, 65 million to 1.6 million years ago.
Vein	A mineral filling of a fault or other fracture in a host rock, in tabular or sheetlike form, commonly with associated replacement of the host rock; a mineral deposit of this form and origin.
Volcanism	Volcanic activity, including the eruption of lava and rock fragments and gas explosions.
Quartz	A silicate mineral composed of silicon and oxygen.
Quartzite	Metamorphic rock composed of quartz.

PART III

ITEM 11. EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

The individuals who served as our principal executive officer and principal financial officer during the year ended June 30, 2012, as well as the other individuals included in the Summary Compensation Table below, are referred to as “named executive officers” throughout this Compensation Discussion and Analysis.

Overview of Compensation Philosophy, Objectives and Policies

Our compensation philosophy, which is set by the Compensation Committee, attempts to meet two main objectives when we designed our executive and employee compensation. First, the program is intended to be fully competitive so that we may attract, motivate and retain talented executives and key employees. Second, the program is intended to create an alignment of interests between our executives and key employees, on the one hand, and our shareholders, on the other, such that a portion of each executive's or key employee's compensation consists of equity awards. In this manner, if the price of our stock increases over time, our executive officers, key employees and our shareholders will benefit. The compensation program is designed to reward performance that supports our principles of building shareholder value, and may also recognize individual performance from time to time. The Compensation Committee is vested with the authority to review and recommend the compensation program structure and level of compensation for the executive officers, directors and key employees of our Company.

Our present compensation structure for the named executive officers generally consists of salary and incentive compensation. The incentive component consists of a short-term cash portion and a long-term equity portion. We believe the present structure achieves our compensation objectives; however, the Compensation Committee continues to consider additional ways to ensure consistency and enhance our Company's compensation program and may add additional components or policies in order to assist our Company in achieving its compensation goals more effectively or efficiently. We believe that the present compensation structure appropriately aligns the interests of the executives and key employees with our shareholders by encouraging equity ownership through awards of stock options and stock grants to executive officers and key employees and to motivate our named executive officers and other key employees to contribute to an increase in shareholder value. While equity ownership is highly encouraged, we do not presently have a policy that requires our named executive officers or directors to own shares of our stock.

Annually the Compensation Committee reviews and recommends to the Board the level of compensation for the named executive officers and key employees. Our CEO reports to the Committee regarding the individual performance of the other named executive officers. Additionally, the Committee considers recommendations from the named executive officers regarding incentive compensation for key employees who report to that executive officer.

Elements and Mix of Compensation

The Compensation Committee does not utilize an exact calculation in determining the breakdown of executive compensation among base pay, bonus pay and other forms of compensation; rather, the Compensation Committee takes into consideration all forms of compensation together. When making decisions about individual compensation packages, our consideration of base salary ranges for the named executive officers is primarily based upon negotiations with that officer, taking into consideration work experience, individual and overall Company performance, level of responsibility, impact on the business, tenure, potential for advancement within the organization and the potential liability of being an officer of a public corporation. Annual salaries for newly-hired executives are determined at the time of hire taking into account the above factors other than tenure. Changes in an executive's base salary may also take into consideration recent compensation, including bonuses and equity-based compensation.

Cash bonuses are a form of short-term incentive compensation, which may be recommended by the Compensation Committee at its discretion, based on individual and overall Company performance. There is no specific bonus plan or policy in place setting forth timing of awards or establishing specific performance objectives. The Compensation Committee, at its discretion, determines and recommends the amounts and timing of any bonus awards. If applicable, and at the sole discretion of the Compensation Committee, a "merit-based" bonus may be recommended based on criteria such as exceptional individual and overall Company performance, assuming additional responsibility without an increase in base compensation, or such other criteria which the Compensation Committee may determine from time to time.

The long-term equity compensation component of our compensation program is comprised of equity awards and makes up a significant part of our named executive officers' compensation package. Under our 2007 Equity Incentive Plan, we are authorized to issue qualified incentive stock options, non-qualified stock options, to make grants of stock and award grants of restricted stock to the officers, directors and key employees of our Company, including the named executive officers. There is no specific policy or procedure in place setting forth the timing or amount of awards, although the outstanding awards and future compensation are reviewed at least annually. The Compensation Committee, at its discretion, determines and recommends the amounts and timing of any equity awards. The stock options are priced based on the closing market price of our common stock on the grant date, which is the date the Board approves the award.

Additional benefits provided to executive officers and key employees as part of their compensation packages include health, life and disability insurance. To the extent the named executive officers participate in these programs, they do so generally on the same basis as our other employees. Our named executive officers do not receive perquisites and we do not maintain any non-equity incentive plans, other than our cash bonus incentives described previously, nor do we maintain any deferred compensation plans.

The compensation for our directors is structured similar to that of our named executive officers. Specifically, our directors receive a combination of cash and equity incentives in the form of stock grants or options to purchase our common stock. The Compensation Committee reviews the form and amount of such compensation periodically to ensure that it is competitive and meeting our objectives discussed above.

Consideration of Say-on-Pay Vote

Rule 14a-21 under the Securities Exchange Act requires us to provide a separate shareholder advisory vote in our proxy statements to approve the compensation of our named executive officers, not less frequently than once every three years ("say-on-pay" vote). To date, we have not submitted to our stockholders to vote on a proposal to approve an advisory resolution regarding our compensation program for our named executive officers. Consequently, our board has not considered the outcome of our "say-on-pay" vote results when determining future compensation policies and pay levels for our named executive officers. Our board of directors has adopted a resolution setting the date for our Annual Meeting of Stockholders to be held for July 30, 2013. At our annual meeting, we will be asking our stockholders to vote on a proposal to approve an advisory resolution regarding our compensation program for our named executive officers. We will consider the outcome of our "say-on-pay" vote results when determining future compensation policies and pay levels for our named executive officers.

Specific Compensation Decisions

Each of our named executive officers receives an annual salary under the terms of their respective employment agreements. In addition, each of our named executive officers has received stock options as part of his current compensation package.

Effective January 1, 2012, upon the recommendation of the Compensation Committee, the Board approved an increase in the annual base salary of Pierce Carson, a named executive officer, to $258,750. Prior to this increase in base salary, Dr. Carson was receiving annual base salary of $248,798 pursuant to his employment agreement effective as of October 7, 2003. The Board believed such increase was warranted due to the performance of Dr. Carson in exceeding the Board's expectations with time and effort spent securing additional strategic opportunities for the Company in addition to his individual contributions in furthering the Company's overall business objectives.

We believe that the compensation packages for our named executive officers, consisting of cash and equity incentive compensation, will meet the objectives set forth above. The stock options are designed to reward the individuals and the inherent value in the options will help motivate them to further the interests of our shareholders.

The Compensation Committee also has the ability to award discretionary cash incentive compensation in the form of bonuses to the named executive officers.

Summary Compensation Table

The following table summarizes the compensation awarded to, earned by or paid during the last three fiscal years to Named Executive Officers, including (a) our principal executive officer; (b) each of our Company's two most highly compensated executive officers, other than the principal executive officer, who were serving as executive officers at the end of the financial year ended June 30, 2012, and whose total compensation exceeded $100,000 per year; and (c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as an executive officer of our Company at the end of the year ended June 30, 2012.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Non-qualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)	Total ($)
W. Pierce Carson	2012	253,774	-	-	73,547(3)	-	-	-	327,321
	2011	239,229	-	-	55,129[2]	-	-	-	294,358
President & CEO	2010	227,837	-	172,000[1]	62,543[1]	-	-	-	462,380

(1) On June 8, 2010, the board of directors granted Mr. Carson an award of 200,000 shares of restricted common stock and 200,000 options under our 2007 EIP. The shares vest 50% after 12 months with the remaining 50% vesting after 24 months. The options have a vest date of December 31, 2010 and a term of five years. The exercise price of the options is $0.86 per share, the closing price of our common stock on the date of grant. The dollar value recognized for financial statement reporting purposes for both the grant of stock and options was calculated in accordance with FAS 123R.

(2) On May 17, 2011, the board of directors granted Mr. Carson an award of 150,000 options under our 2007 EIP. The options have a vest date of December 31, 2011 and a term of five years. The exercise price of the options is $1.01 per share, the closing price of our common stock on the date of grant. The dollar value recognized for financial statement reporting purposes for the options was calculated in accordance with FAS 123R.

(3) On January 9, 2012, the board of directors granted Mr. Carson an award of 150,000 options under our 2007 EIP. The options have a vest date of June 30, 2012 and a term of five years. The exercise price of the options is $0.94 per share, the closing price of our common stock on the date of grant. The dollar value recognized for financial statement reporting purposes for the options was calculated in accordance with FAS 123R.

Outstanding Equity Awards as of June 30, 2012

The following table summarizes the outstanding equity awards as of June 30, 2012, for each of our named executive officers:

Outstanding Equity Awards as of June 30, 2012

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
W. Pierce Carson	4,000,000 200,000 150,000 150,000	N/A N/A N/A N/A	N/A N/A N/A N/A	0.11 0.86 1.01 0.94	10/16/2013 6/08/2015 5/17/2016 1/9/2017	N/A	N/A	N/A	N/A

Compensation of Directors

The following table summarizes the compensation of our Company's directors for the fiscal year ended June 30, 2012:

Compensation of Directors

Name[1]	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)[2]	Non-Equity Incentive Plan Compen-sation ($)	Non-qualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)	Total ($)
Lawrence G. Olson	26,250	-	-	-	-	-	26,250
John E. Frost	35,000	-	37,233	-	-	-	72,233

(1) W. Pierce Carson, a member of our board of directors, is a Named Executive Officer and did not receive any compensation as a director that has not been disclosed in the summary compensation table above.

(2) This column represents the fair value of the options awarded in fiscal 2012 in accordance with FAS 123R.

Effective July 1, 2010, we adopted an increase in the annual non-employee independent director fee to $25,000 per year and an increase in annual committee fees to $4,000 per committee membership and $2,000 per committee chairmanship, to be paid quarterly, plus $1,000 for each full-day board meeting, and $500 for each telephonic meeting, committee meeting or less than full day meeting attended. In addition, upon first being

appointed or elected to the board, each independent director receives a grant of options to purchase 100,000 shares of common stock which vest twelve months after the date of grant, and on January 1st of each year, each independent director receives a grant of options to purchase 75,000 shares of common stock which vest six months after the date of grant. All options are granted at an exercise price equal to the fair market value of the stock on the date of grant. All options granted to non-employee independent directors, unless earlier terminated, or exercised, expire five years after the grant date. All directors are reimbursed for out-of-pocket expenses incurred in connection with attendance at board meetings and committee meetings.

Effective July 1, 2012, we adopted a decrease in the annual non-employee independent director fee to $8,000 per year and a decrease in annual committee fees to $1,000 per committee membership and $500 per committee chairmanship, to be paid quarterly. All other compensation to non-employee independent directors remains as described in the preceding paragraph.

During fiscal years 2012, 2011 and 2010, non-officer directors received no consulting fees separate and distinct from directors' fees as a result of actual services rendered above and beyond those typical of a non-officer director. Total director fees were $61,250 for the year ended June 30, 2012.

Employment Agreements

In October 2003, we entered into employment and change of control agreements with our president and chief executive officer. The employment agreement describes among other things the officer's duties, compensation levels and benefits. The agreement provides for annual salary of $180,000 adjusted by the CPI. The term of the agreement is from October 16, 2003, through and including October 15, 2006, and then automatically extends through October 15, 2008, and thereafter year to year unless terminated on 90 days prior notice. The change of control agreement provides that if there is a change of control of the Company and the officer leaves the employment of the Company, for whatever reason (other than discharge for cause, death, or disability) within six months after such change of control, the officer shall receive a lump sum cash payment of 299% of the base amount as defined in IRC Section 280G (b) (3), subject to certain limitations of the Internal Revenue Code. In addition, the officer will continue to be covered by our medical, health, life and dental plans for 24 months after such cessation of employment. In connection with the employment agreement, we granted 4,000,000 options at an exercise price of $0.11 per share, the closing price on the date of grant. The options vested as to 1,000,000 shares on October 16, 2003, and as to additional 1,000,000 share increments over successive six-monthly periods.

In May 2009, we entered into change of control agreements with two key employees, our manager of legal affairs, who currently is our secretary and assistant treasurer, and who also is the son of our president; and our controller, who currently is our chief financial officer and treasurer. The change of control agreements provide that if there is a change of control of the Company and the individual leaves the employment of the Company, for reason other than discharge for cause, death, or disability, within six months after such change of control, the employee shall receive a lump sum cash payment of 100% of the base salary in effect at the time of change of control. In addition, the employee will continue to be covered by our medical, health, life and dental plans for 24 months after such cessation of employment.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 28, 2013.

SANTA FE GOLD CORPORATION

By: /s/ W. Pierce Carson
Name: W. Pierce Carson
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities indicated on May 28, 2013.

SIGNATURE	**TITLE**
/s/ W. Pierce Carson W. Pierce Carson	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
/s/ Michael P. Martinez Michael P. Martinez	Chief Financial Officer (Principal Accounting Officer)
/s/ Ryan P. Carson Ryan P. Carson	Secretary and Assistant Treasurer
/s/ John E. Frost John E. Frost	Director
/s/ Erich Hofer Erich Hofer	Director

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, W. Pierce Carson, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Santa Fe Gold Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 28, 2013

/s/ W. Pierce Carson

W. Pierce Carson
President, Chief Executive Officer,
Director and Chairman of the Board

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael P. Martinez, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Santa Fe Gold Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 28, 2013

/s/ Michael P.Martinez

Michael P. Martinez
Chief Financial Officer
(Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTOION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Santa Fe Gold Corporation. (the "Company") on Form 10-K/A for the fiscal year ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company, as of, and for the periods presented in the Report.

Date: May 28, 2013

/s/ W. Pierce Carson
W. Pierce Carson
Chief Executive Officer, President, Director
And Chairman of the Board

/s/ Michael P. Martinez
Michael P. Martinez
Chief Financial Officer
(Principal Accounting Officer)