



PRESS RELEASE



SFMI

SILVER FALCON MINING, INC. (SFMI) STARTS DRILL PROGRAM.

Bradenton, FL.- (MARKET WIRE) – 07/31/12 -- Silver Falcon Mining, Inc. (SFMI.OTCBB) brings its shareholders up to date on some exciting news.

Closed Circuit Leaching Line

On July 26th, the Board of Commissioners of Owyhee County recognized the well founded arguments put forth by SFMI's corporate team made up of our COO, Mr. Christian Quilliam, and its VP of Corporate Development, Ms. Pascale Tutt, and granted SFMI a permit, to build and operate a closed circuit leaching line on site at our Diamond Creek Mill.

This line will allow SFMI to complete the first phase of its program in recuperating up to \$6,000,000US worth of gold and silver from the approximately 30,000 tons of tailings brought from War Eagle mountain in the last three years. A 20-day appeal period is being observed but management does not expect any reversal of that decision.

Metallurgical Laboratory

Arrangements have been made with the Owyhee County inspector to reissue SFMI's building permit based on the revised and completed drawings. The Company's contracted engineers have produced a set of architectural drawings which will be submitted to the Owyhee County Building Inspector's office for approval and conversion of SFMI's existing building permit from the previous contractor's name to the corporate name. SFMI's permanent staff will obtain a state permit for the electrical, plumbing, septic, propane and HVAC installation and will carry out the necessary work to finish this essential part of this part of the production line.

Drilling Program Update

The selection of underground personnel is underway and their MSHA training is being scheduled. Equipment is being located and marshaled to enable the opening and subsequent bolting operation to proceed from last year's stopping point. Security fencing will be installed upon approval of the parameters by the Bureau of Land Management. The Company's contracted geologists are on standby and will come on board in the appropriate time frame.

Once the shoring up of the Sinker tunnel is complete and complies with engineering standards, SFMI will start the excavation of spaces large enough for exploratory drilling operations. Drilling will proceed in order to define



PRESS RELEASE



SFMI

the areas and quantities as well as qualities of proven and probable resources and reserves in Silver Falcon Mining's War Eagle mountain properties.

SFMI's management is anxious to fulfill its commitment to its shareholders to increase the book value of its shares through the presentation of a "NI 43-101 Instrument," and its subsequent listing on the Toronto Stock Exchange (TSX). Steps are underway to provide the corporation with the legal and financial support necessary for this future expansion of its trading activity onto the TSX Exchange.

Mill Update

SFMI's flotation line has arrived and is being prepared for its installation in the new section of the mill. The Company does not anticipate hauling new material from War Eagle Mountain this year, due to the necessity of running the accumulated tailings through the existing gravity circuit to further reduce the particle size to accommodate the flotation unit.

An increase in the number of employees at the mill is anticipated, as well as a change in the hours of daily operations.

Quoting Mr. Pierre Quilliam, CEO, "I am personally proud and very happy to see that the decisions of SFMI's executive management team and Board of Directors during the last few years have led us to a small, but solid revenue stream. Now with the coming expansion, both our net worth and revenue lines on the books will reach and provide a profitable operation. This will not only bolster investor confidence, but confirm the seriousness of SFMI's intent in future profitable operations and the increase in its share value."

About Silver Falcon Mining, Inc.

SFMI has mineral rights to approximately 1,200 acres on War Eagle Mountain in southern Idaho. SFMI owns the Diamond Creek Mill site situated at the foot of War Eagle Mountain which is serviced by 6.2 miles of paved roads from State Highway 78. SFMI maintains year round access to the Sinker Tunnel which will facilitate underground mining of the rich veins crisscrossing the mountain above and hires and retains a mining oriented local workforce.

On behalf of the Board of Directors of Silver Falcon Mining, Inc.: Pierre Quilliam, Chief Executive Officer
For further information, contact Mr. Richard Kaiser, Investor Relations, 757-306-6090 and/or
www.silverfalconmining.com.

ENDS

Investor Relations
Yes International Ltd.
Attn: Rich Kaiser
3419 Virginia Beach Blvd., #252
Virginia Beach, VA 23452
Tel: 757-306-6090