



PRESS RELEASE



NASDAQ OTCBB: SFMI.BB

SILVER FALCON MINING, INC. (SFMI) RECAPS 2010 OPERATIONAL ACHIEVEMENTS, PROVIDES 2011 OUTLOOK

Murphy, ID- (MARKET WIRE) – 01/11/11 -- Silver Falcon Mining, Inc. (OTC:[SFMI.OTCBB](#) - [News](#)) summarizes operations of 2010 and provides an operational outlook for 2011 as submitted to its Board of Directors.

Noteworthy, War Eagle Mountain is a Gold and Silver rich property, whereas Silver Falcon Mining, Inc, has the developmental and operating rights to (17) deep-shaft mines and old ore dumps covering the Mountains' primary epithermal Gold and Silver-producing veins. At the beginning of the year, the property under contract covered approximately 1,500 acres and encompasses a further 20 acres at the foot of the mountain on which it erected its Diamond Creek Mill facility. The Company's lode claims at and around the Sinker Tunnel will allow year round access to the interior of the mountain.

The 2010 business plan provided for the following:

- 1) [Erecting and working the mill on a double shift schedule to the maximum output tonnage and](#) through the addition of a larger ball mill to be installed parallel to the existing one as well as installing a larger Falcon Concentrator to multiply the precious metals output.
- 2) Bring to the mill sufficient ore from the tailings pile to guarantee the increased production for 24 months production of Gold and Silver.
- 3) SFMI, in accordance with [its operating contract with GoldLand Holdings, Co.](#) (GHDC.OTCBB), planned on opening up one more shaft on the property and prepare it for further activity.
- 4) Establish a large permanent mill site at the Sinker Tunnel Entrance thus eliminating present transport and road maintenance cost.
- 5) Dedicate 15% of the net smelter returns to a buyback plan of its common "A" stock.
- 6) Start permitting process to do underground mining in the [Sinker Tunnel](#) so as to allow year round operation to go on.
- 7) Contract for an evaluation of reserves on the mountain through a core drilling program.



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SFMI is proud to report that despite some inevitable delays, it has accomplished in 2010 and expects in 2011 the following:

- 1) In 2010, SFMI erected and started the mill and shipped and received compensation on Gold and Silver produced during the initial start-up of the [Diamond Creek Mill](#) which will be reported in the year- end financials. On average, the mill currently operates at two-12 hour shifts.
- 2) Since August, 2010, sufficient ore from the OSO Zone atop War Eagle has been stockpiled at the mill for uninterrupted production during the 2011 winter months.
- 3) Unfortunately opening a shaft on the mountain has not been possible in 2010 due mainly to internal lack of facilities and infrastructure on the mountain.
- 4) In 2010, SFMI's board had decided that locating a mill site at the entrance to the Sinker Tunnel is both impractical and too costly, thus deciding in favor of our present mill site subject to expansion in 2011 and beyond.
- 5) In 2010, SFMI earmarked 15% of the Net Smelter Revenue for [repurchasing SFMI's stock](#); awaiting settlement from the brokerage account. The Company will continue to repurchase shares throughout 2011.
- 6) The underground operating permits are well underway and should be completed during the course of the 2011 operational year.
- 7) Evaluation and proving of reserves in War Eagle Mountain will be achieved through the filing in Canada of a 43-101 report, a main requirement for listing on the [Toronto Stock Exchange](#); this engineering report got underway in the beginning of 2011.

Mr. Pierre Quilliam, President of Silver Falcon Mining, Inc., said, "We have come full circle in the past year by erecting and starting a mill which produced gold and silver. Our exciting plans and planned achievements for 2011 are very ambitious and the ways and means of carrying those plans will be published in the ensuing days to come."

Silver Falcon Mining, Inc. (SFMI:OTCBB) is a developer and explorer of mineral resource properties, primarily in Owyhee County, Idaho, USA, with the objective of being a profitable, low-cost, precious metal producer and creating significant growth in shareholder value.

Further Information: contact Rich Kaiser, Investor Relations, 800-631-8127 and/or visit <http://www.silverfalconmining.com>.

Silver Falcon Mining, Inc. cautions that the statements made in this press release constitute forward-looking statements, and not guarantees of future performance and actual results or developments may differ materially from the projections in the forward-looking statements. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made.

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