# Sutter Gold Mining Inc. Exploration Update

01.05.2012 | Marketwire

**Drill Program Continues to Intersect Encouraging Drilling Results at Lincoln Mine Project, California**

- Drill hole DDH-199 returned 36.6 g/t (1.067 oz/ton) over 3.5 feet;
- Drill hole DDH-201 returned 7.78 g/t (0.227 oz/ton) over 4.0 feet and 9.20 g/t (0.268 oz/ton) over 2.8 feet:
- Drill hole DDH-202 returned 8.27 g/t (0.241 oz/ton) over 4.9 feet;
- Drill hole DDH-203 returned 13.15 g/t (0.384 oz/ton) over 1.8 feet;
- Drill hole DDH-204 returned 9.07 g/t (0.265 oz/ton) over 4.8 feet.

VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 05/01/12 -- Sutter Gold Mining Inc. (TSX VENTURE: SGM) (OTCQX: SGMNF) ("Sutter" or "the Company") is pleased to announce the highlights of analytical results received for six sequential drill holes from the ongoing drilling campaign at its Lincoln Mine project near Sutter Creek, CA. To date, 11 angled diamond drill holes have been completed with analytical results received for the first nine. Results for the first three drill holes were presented in Sutter Gold's press release dated March 6, 2012.

"We continue to make gold-bearing drill intersections as we focus on near-term extensions of the zones that we plan to mine in the first five years of our project," said Leanne Baker, President & CEO. "The Company is approximately halfway through its 2012 surface drilling program and has purchased a Termite drill for core drilling from underground as soon as the mining program gets underway."

Results are presented for drill holes DDH-199 through DDH-204. The six drill holes for which data are presented below are infill holes in the Lincoln segment of the gold resource.

DDH-199, the fourth drill hole in the 2012 program, drilled towards the northeast at an inclination of -85 degrees, intersected the target fissure vein at 259.4 feet to 262.9 feet depth. At its intersection, the vein has a true thickness of 3.0 feet and returned an assay of 1.067 oz/ton Au. Visible gold occurs in a quartz vein within a broad carbonate-sericite alteration zone, which is anomalous in gold as shown in Table 1 below.

Table 1. DDH-199 Coordinates: 42,026E/70,276N, Elevation 1,332 ft, N.60E. Azimuth -85 degrees Inclination

| Drill Hole Number | From (ft) | To (ft) | Interval (ft) | g/t Au | oz/ton Au |
|---|---|---|---|---|---|
| DDH-199 | 247.4 | 249.9 | 2.5 | 3.81 | 0.111 |
| DDH-199 | 249.9 | 252.5 | 2.6 | less than 0.01 | less than 0.001 |
| DDH-199 | 252.5 | 259.4 | 6.9 | 0.03 | 0.001 |
| DDH-199 | 259.4 | 262.9 | 3.5 | 36.6 | 1.067 |
| DDH-199 | 262.9 | 268.0 | 5.1 | 1.11 | 0.032 |
| DDH-199 | 268.0 | 273.0 | 5.0 | 0.24 | 0.007 |
| DDH-199 | 273.0 | 277.0 | 4.0 | 0.51 | 0.015 |
| DDH-199 | 277.0 | 281.1 | 4.1 | 4.38 | 0.128 |
| DDH-199 | 281.1 | 286.1 | 5.0 | 3.20 | 0.093 |
| DDH-199 | 286.1 | 291.1 | 5.0 | 4.16 | 0.121 |

DDH-200 was drilled at an inclination of -45 degrees to depth of 287 feet from the same drill pad as DDH-199. The drill hole went through the transition from greenstone to intense sericite-carbonate alteration at 138.0 feet depth and crossed a ribbon-textured quartz vein from 145.3 feet to 147.3 feet depth. However, the half core analyzed from this prospective vein only showed a value of 0.005 oz/ton Au with negligible values of gold in the surrounding alteration zone.

Table 2. DDH-200 Coordinates: 42,028E/70,277N, Elevation 1,332 feet, N.60E. Azimuth -45 degrees Inclination

| Drill Hole Number | From (ft) | To (ft) | Interval (ft) | g/t Au | oz/ton Au |
|---|---|---|---|---|---|
| DDH-200 | 138.0 | 142.0 | 4.0 | 0.38 | 0.011 |
| DDH-200 | 142.0 | 145.0 | 3.0 | less than 0.01 | less than 0.001 |
| DDH-200 | 145.0 | 147.4 | 2.4 | 0.17 | 0.005 |
| DDH-200 | 147.5 | 152.0 | 4.5 | less than 0.01 | 0.001 |

DDH-201 intersected four vein zones within a broad sericite-carbonate alteration halo in the greenstone-interbedded sequence contact zone. The first two of these vein zones had a sulfide mineral content of +3% and one contained visible specks of native gold, generally a positive indicator for gold. These two intervals returned assay values for gold below the projected economic cut-off grade per the Preliminary Economic Analysis (March 2011) performed by Mine Development Associates of Reno, NV. The third was a narrow quartz-veined zone and the fourth a broad zone containing two vein intervals above the presently considered cut-off grade. Assay values from the four gold-bearing intervals are shown in Table 3.

Table 3. DDH-201 Coordinates: 42,067E/70,183N, Elevation 1,319 feet, N.60E. Azimuth -45 degrees Inclination

| Drill Hole Number | From (ft) | To (ft) | Interval (ft) | g/t Au | oz/ton Au |
|---|---|---|---|---|---|
| DDH-201 | 115.2 | 117.3 | 2.1 | 2.98 | 0.087 |
| DDH-201 | 117.3 | 120.4 | 3.2 | 1.08 | 0.032 |
| DDH-201 | 120.4 | 122.5 | 2.1 | 0.03 | 0.001 |
| DDH-201 | 122.5 | 126.5 | 4.0 | 1.09 | 0.032 |
| DDH-201 | 126.5 | 130.5 | 4.0 | 0.38 | 0.011 |
| DDH-201 | 130.5 | 132.2 | 1.7 | 5.26 | 0.154 |
| DDH-201 | 146.1 | 148.1 | 2.0 | 0.08 | 0.020 |
| DDH-201 | 148.1 | 150.8 | 2.7 | 1.37 | 0.040 |
| DDH-201 | 163.0 | 166.0 | 3.0 | 4.49 | 0.131 |
| DDH-201 | 181.2 | 185.2 | 4.0 | 7.78 | 0.227 |
| DDH-201 | 185.2 | 186.9 | 1.7 | 0.54 | 0.016 |
| DDH-201 | 186.9 | 192.0 | 5.1 | 3.27 | 0.096 |
| DDH-201 | 192.0 | 194.8 | 2.8 | 9.20 | 0.268 |
| DDH-201 | 194.8 | 199.3 | 4.5 | 1.73 | 0.050 |
| DDH-201 | 199.3 | 203.0 | 3.7 | 2.24 | 0.065 |
| DDH-201 | 203.0 | 207.4 | 4.4 | 1.89 | 0.055 |

DDH-202, drilled from the same pad as DDH-201 but inclined at -70 degrees, made a clean quartz fissure vein intersection from 210.8 feet to 215.7 feet depth, a true thickness of 4.5 feet with some specks of visible gold. Assay results are as shown in Table 4 below.

Table 4. DDH-202 Coordinates: 42,065E/70,182N, Elevation 1,319 feet, N.60E. Azimuth -70 degrees Inclination

| Drill Hole Number | From (ft) | To (ft) | Interval (ft) | g/t Au | oz/ton Au |
|---|---|---|---|---|---|
| DDH-202 | 207.6 | 210.8 | 3.2 | less than 0.01 | less than 0.000 |
| DDH-202 | 210.8 | 215.7 | 4.9 | 8.27 | 0.241 |
| DDH-202 | 215.7 | 218.0 | 2.3 | 0.16 | 0.005 |

DDH-203, drilled from the southernmost pad of the planned Lincoln segment drilling program, intersected three fissure vein zones, and a fourth zone which is a classical Mother Lode-type "Gray Ore", ending with a

narrow quartz vein with specks of visible gold.

Table 5. DDH-203 Coordinates: 42,159E/70,056N, Elevation 1317ft, N56E Azimuth -45 degrees Inclination

| Drill Hole Number | From (ft) | To (ft) | Interval (ft) | gm/tonne Au | oz/ton Au |
|---|---|---|---|---|---|
| DDH-203 | 148.0 | 150.2 | 2.2 | 2.66 | 0.078 |
| DDH-203 | 172.9 | 175.3 | 2.4 | 3.37 | 0.098 |
| DDH-203 | 175.3 | 177.6 | 2.3 | 2.97 | 0.087 |
| DDH-203 | 177.6 | 180.7 | 3.1 | 3.06 | 0.089 |
| DDH-203 | 180.7 | 182.3 | 1.6 | 2.98 | 0.087 |
| DDH-203 | 209.4 | 213.0 | 3.6 | 8.16 | 0.238 |
| DDH-203 | 213.0 | 216.2 | 3.2 | 2.56 | 0.075 |
| DDH-203 | 219.2 | 221.4 | 2.2 | 4.40 | 0.128 |
| DDH-203 | 221.4 | 224.9 | 3.5 | 1.54 | 0.045 |
| DDH-203 | 224.9 | 228.0 | 3.1 | 4.07 | 0.119 |
| DDH-203 | 228.0 | 231.0 | 3.0 | 2.94 | 0.086 |
| DDH-203 | 231.0 | 232.8 | 1.8 | 13.15 | 0.384 |

DDH-204, drilled from the same setup as DDH-203, intersected a new vein from 98.8 feet to 106.8 feet for a true thickness of 7.3 feet grading 0.234 oz/ton Au. The target vein was intersected at 333.0 feet to 338.0 feet for a true thickness of 4.5 feet at a grade of 0.121 oz/ton Au.

Table 6. DDH-204 Coordinates: 42,157E/70.055N, Elevation 1317ft, N56E Azimuth -70 degrees Inclination

| Drill Hole Number | From (ft) | To (ft) | Interval (ft) | gm/tonne Au | oz/ton Au |
|---|---|---|---|---|---|
| DDH-204 | 98.8 | 102.0 | 3.2 | 6.42 | 0.187 |
| DDH-204 | 102.0 | 106.8 | 4.8 | 9.07 | 0.265 |
| DDH-204 | 333.0 | 338.0 | 5.0 | 4.13 | 0.121 |

The six drill holes were angled to fill in spaces in the Lincoln resource segment. All assay results reported in this press release are 50 gm-charge fire assays performed by ALS USA Inc., Reno NV.

**Quality Assurance/Quality Control and Qualified Person**

The exploration activities at the Lincoln project site are carried out under the supervision of Mr. Stephen

Zahony, Vice-President Exploration, who is the designated Qualified Person under National Instrument 43-101 for the Lincoln Mine project exploration program and is responsible for quality control. Mr. Zahony, is also the person responsible for the technical information in this news release which has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101.

The Company has implemented a rigorous QA/QC program to ensure best practices in sampling, analysis and security of core samples. The QA/QC procedures incorporate blanks, duplicates and standards inserted prior to shipment to the laboratory. Sample preparation was done by ALS Chemex at its Reno, Nevada laboratory and analyzed with 50 gram sub-samples, using fire assay with an AA finish. High-grade gold intervals are re-assayed by fire assay with gravimetric finish. The laboratory reports have been matched to the drill sample logs and the quality control assays fall within acceptable limits. For quality control purposes periodic standards, representing 10% of the samples, were inserted within the sample group sent for analysis; the laboratory results were within 5% in each case of the established value of those standards.

**About Sutter**

Sutter is a growth-oriented exploration and development company preparing to become a North American gold producer. The Company has two projects: the Lincoln Project located in Amador County, California and the Santa Theresa Project located in the Northern Baja region of Mexico. Currently, the Company's primary focus is the evaluation and development of the Lincoln Project, beginning with the shallow portion of the Lincoln-Comet ore zone of the Lincoln Project, located on the California Mother Lode Gold Belt. The Lincoln-Comet and Keystone zones have a NI 43-101 compliant Indicated Resource estimate (completed in February 2008) of 612,400 tonnes (673,600 tons) grading 11.3 g/t Au (0.33 oz/ton) containing 223,000 ounces of gold and Inferred Resources of 2,161,700 tonnes (2,377,900 tons) grading 6.6 g/t Au (0.19 oz/ton) containing 458,900 ounces of gold.

Sutter currently controls approximately 3.6 miles of the Mother Lode of Amador County, with 90% of the property still unexplored. Potential exists both at depth and along strike of the known mineralized zones on both the footwall and hanging wall. The 120-mile long Mother Lode Gold Belt produced over 13 million ounces of gold historically with 7.9 million ounces originating from the 10-mile long segment between Jackson and Plymouth where the Lincoln Project is strategically located. Properties under the Company's control include seven historic mines with significant historic gold production totaling over 3.5 million ounces or 27% of the historic gold production from the Mother Lode. Historic mines located north and south of the Lincoln Project in the Jackson to Plymouth segment of the Mother Lode success fully mined gold to depths of 4,500 and 6,300 feet, respectively.

In Mexico, Sutter holds the rights to the geologically similar, high-grade El Alamo district of northern Baja, where historic mining to the water table produced mined grades of 30 to 60 g/t gold. Initial exploration with its joint-venture partner, Premier Gold, has demonstrated the extension of high-grade veins.

ON BEHALF OF THE BOARD OF DIRECTORS:

Dr. Leanne M. Baker, President, CEO & Director
Sutter Gold Mining Inc.

To view the figure associated with this press release, please visit the following link:
http://media3.marketwire.com/docs/SGM501.pdf.

**Forward-Looking Statements**

This news release contains "forward-looking information" under Canadian securities law. Any information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "anticipate", "believe", "plans", "estimate", "scheduling", "projected" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking information. Forward-looking information relates to, among other things: the price of silver and gold; the accuracy of mineral resource and mineral reserve estimates; the ability of the Company to finance its operations and capital expenditures; future financial and operating performance including estimates of the Company's revenues and capital expenditures and estimated production.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other

factors that could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, risks relating to: fluctuating commodity prices; calculation of resources, reserves and mineralization and precious and base metal recovery; interpretations and assumptions of mineral resource and mineral reserve estimates; exploration and development programs; feasibility and engineering reports; permits and licenses; title to properties; recent market events and conditions; economic factors affecting the Company; timing, estimated amount, capital and operating expenditures and economic returns of future production; operations and political conditions; environmental risks; and risks and hazards of mining operations. This list is not exhaustive of the factors that may affect any of the Company's forward-looking information. Forward-looking information about the future is inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company's forward-looking information is based on the assumptions, beliefs, expectations and opinions of management as of the date of this press release, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

**Contacts:**

Sutter Gold Mining Inc.
Robert Hutmacher
Chief Financial Officer
303 238 1438 ext. 22
bhutmacher@suttergoldmining.com
www.suttergoldmining.com