



NEWS RELEASE

FOR IMMEDIATE RELEASE: June 21, 2012

**SUTTER GOLD ANNOUNCES MAJOR ADDITION TO ITS MINERAL EXPLORATION HOLDINGS  
IN CALIFORNIA'S MOTHER LODE GOLD BELT**

**Vancouver, British Columbia (June 21, 2012) - Sutter Gold Mining Inc. (SGM:TSX-V) (SGMNF:OTCQX) ("Sutter" or the "Company")** is pleased to announce that on June 14, 2012 it signed a Mineral Exploration and Purchase Option Agreement (the Agreement) that upon exercise will significantly expand the Company's holdings in the heart of California's Mother Lode Gold Belt. The 230-acre property adds approximately a mile of strike length contiguous to the Company's existing 3.6 miles of mineral holdings including the Lincoln Mine Project and adjacent holdings. The property includes several mines that historically produced approximately 350,000 ounces of gold. Like the Lincoln Mine Project, it was the subject of modern exploration in the 1980's.

"This agreement is an important milestone in Sutter's on-going efforts to further consolidate the district, expanding the Company's mineral holdings along the Mother Lode while bringing the Lincoln Mine Project into production," said Leanne Baker, President and CEO. "This agreement represents a significant expansion of our potential exploration targets along the Mother Lode of Amador County, which accounted for 7.8 million ounces of the 13 million ounces of historic production from the 120-mile long Mother Lode Gold Belt." Sutter is in the final phase of its 2012 exploration drilling program on the Lincoln Project. The Lincoln Mine is scheduled to produce its first gold in the fourth quarter of 2012.

The Agreement allows the Company to conduct mineral exploration along an additional one-mile of strike length contiguous with the Company's current mineral holdings. The Company already has begun the process of compiling historical mining records and modern mineral exploration data on the new property. Sutter plans to use the mining and exploration records along with core from the modern exploration program and other information to develop a conceptual geologic model. The Company will use this model to focus and guide further mineral exploration of the property necessary to develop a modern resource estimate.

The material in this news release has been reviewed Stephen Zahony, Vice President of Exploration, a Qualified Person as defined in NI 43-101.

**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  
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#### **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.*

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