



**SUTTER GOLD MINING INC.**

**TSX-VX: SGM**

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## **Sutter Gold CEO Updates Shareholders**

Vancouver B.C., Sutter Gold Mining Inc. (TSX-VX: SGM) Hal Herron, CEO is pleased to update shareholders on the activities of Sutter Gold. Since obtaining the State of California water discharge permit to allow backfilling of underground workings with mill tailings in October 2005, Sutter Gold has been actively working to advance the project.

Sutter Gold has been preparing all necessary documentation for the preparation and completion of a 43-101 compliant gold resource study. This study is essential to targeting the exploration and development of the Company's Lincoln Project. This work has been essential to the understanding of the nature of the mineralization and is critical to targeting future exploration work to expand the resource. Sutter Gold will now be able to be much more focused and cost effective in its exploration program.

The next steps to advance the Lincoln Project are scheduled for spring 2006 and include, subject to funding, the performance of additional underground core drilling. Sutter Gold does not expect to be in a position to update the currently "out-of-date" feasibility study prepared in 1990 until its present work on a 43-101 compliant gold resource study is completed and filed on SEDAR. Further such an updating would be dependant on the completion of a 43-101 compliant gold resource report actually defining a mineral resource of sufficient quality to meet the criteria of a "measured mineral resource".

While the Company is focused on aggressively moving the Lincoln Project forward, additional precious metals mineral prospects are currently being reviewed by consulting geologists in Mexico. The Company may acquire additional mineral properties or join in ventures that develop other properties in the Americas.

Our goal for 2006 is to finally have something tangible to talk about with the completion of the 43-101 compliant gold resource study and with that improve and revitalize corporate communications with the investment community and shareholders. Sutter Gold also intends to adequately finance the Company to aggressively move the Lincoln Project forward through development drilling. With the present high gold prices, management believes the timing for Sutter Gold could not be better.

Mr. Mark Payne is the consulting geologist to Sutter Gold and is a Qualified Person as defined by NI 43-101.

### **About Sutter Gold Mine**

The Sutter Gold project contains a 3.2 mile segment of the Mother Lode belt from which 10 historic mines produced 2.3 million ounces of gold. The historic mines bracket a one-mile-long portion of the Mother Lode belt with no historic gold production and which contains the Lincoln and Comet zones. The Lincoln and Comet zones were blind discoveries that did not outcrop at surface and which represent the first significant new gold discoveries made along the Mother Lode belt in the last 50 years. The Sutter Gold project has been the subject of considerable modern exploration activity, most of it centering on the Lincoln and Comet zones, which are adjacent to each other and together referred to as the Lincoln project. A total of 85,085 feet of drilling have been accomplished in 190 diamond drill holes, and modern underground development consists of a 2,850-foot declined ramp with 2,400 feet of crosscuts plus five raises. The historic gold production was documented in a

detailed report completed by Mark Payne, the consulting geologist to Sutter Gold and a qualified person as defined by National Instrument 43-101. Further information is available at the Company's website at [www.suttergoldmining.com](http://www.suttergoldmining.com).

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The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.