

SGM-V



# MAKING HISTORY . . . AGAIN

*Building a New Gold Mine  
in California's Mother Lode*

September 2012

TSX-V:SGM  
OTCQX:SGMNF

# Disclaimer



The following presentation may include certain “forward-looking statements” within the meaning of applicable Canadian Securities Laws and the United States Private Litigation Reform Act of 1995. All statements, other than statements of historical fact, included in the presentation , including, without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of the Company are forward-looking statements. Words such as “expect”, “anticipate”, “estimate”, “may”, “will”, “should”, “intend”, “believe” and other similar expressions are forward-looking statements. Forward-looking statements are not guarantees of future events and are subject to risks uncertainties assumptions and other factors. Actual results and future events could differ materially from those anticipated in such forward-looking statements. There can be no assurance that such forward-looking statements will prove to be accurate.

# Why Sutter Gold?



- One of the few precious metals juniors that will transition to gold production in 2012
- Fast-tracking the first phase of the high-grade Lincoln Mine Project in Amador County, California – the first commercial gold mine in the Mother Lode in more than 50 years
- Development philosophy that is consistent with historic small-scale mines in the California Mother Lode, but adapted to current environmental standards and community requirements
- All major permitting in place for the Lincoln-Comet and Keystone resources
- 2012 exploration program successfully targeted extension of known gold zones and identified two new potential gold-bearing veins
- Longer term, exploration potential exists at depth and in additional gold zones on adjacent property owned, leased or optioned by Sutter

# Experienced Management Team



## Executives and Management

Leanne Baker	President & Chief Executive Officer
Bob Hutmacher	Chief Financial Officer
Matt Collins	Chief Operating Officer - QP
David Cochrane	VP Environmental Health & Safety
Steve Zahony	VP Exploration and Geology - QP
Art Campo	Chief Mine Geologist
Amanda Miller	Controller
Edward McGoldrick	General Manager

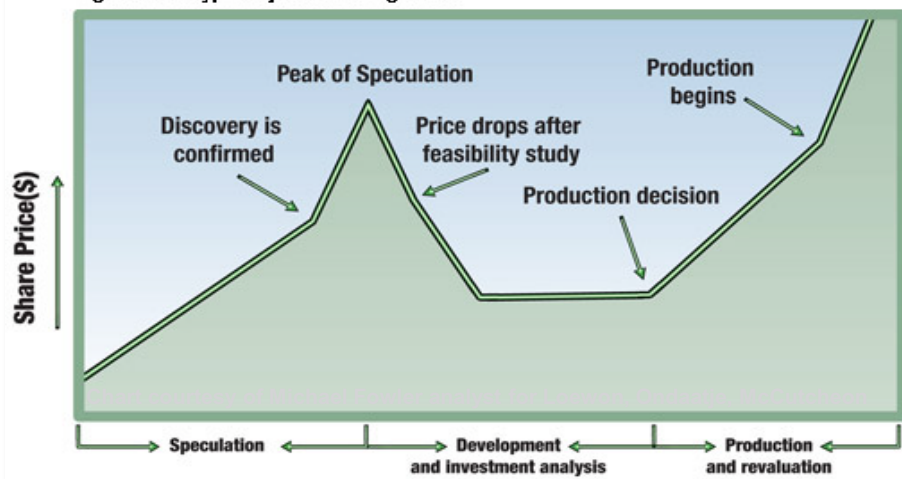




# Sutter at a Glance



Figure 1: A 'typical' junior mining stock



	OTCQX	TSX-V
52 wk high	\$0.42	\$0.51
52 wk low	\$0.28	\$0.15
Avg daily volume (2012)	30,000	40,000

## Capital Structure (June 30, 2012)

Cash Position	\$6.1 million
RMB Gold Facility Draws	\$20 million
Shares Outstanding	117.5 million
Options	5.8 million
Fully Diluted	123.6 million

# Investment Highlights



## ■ **Opportunity:**

- Fast-track the first phase of the Lincoln Mine Project while gold price fundamentals remain strong
- Recent share price gains reflect our 2012 exploration success and progress on permitting, development and construction
- Upside potential from current exploration drill program, with built-in capacity to expand mining and milling rates

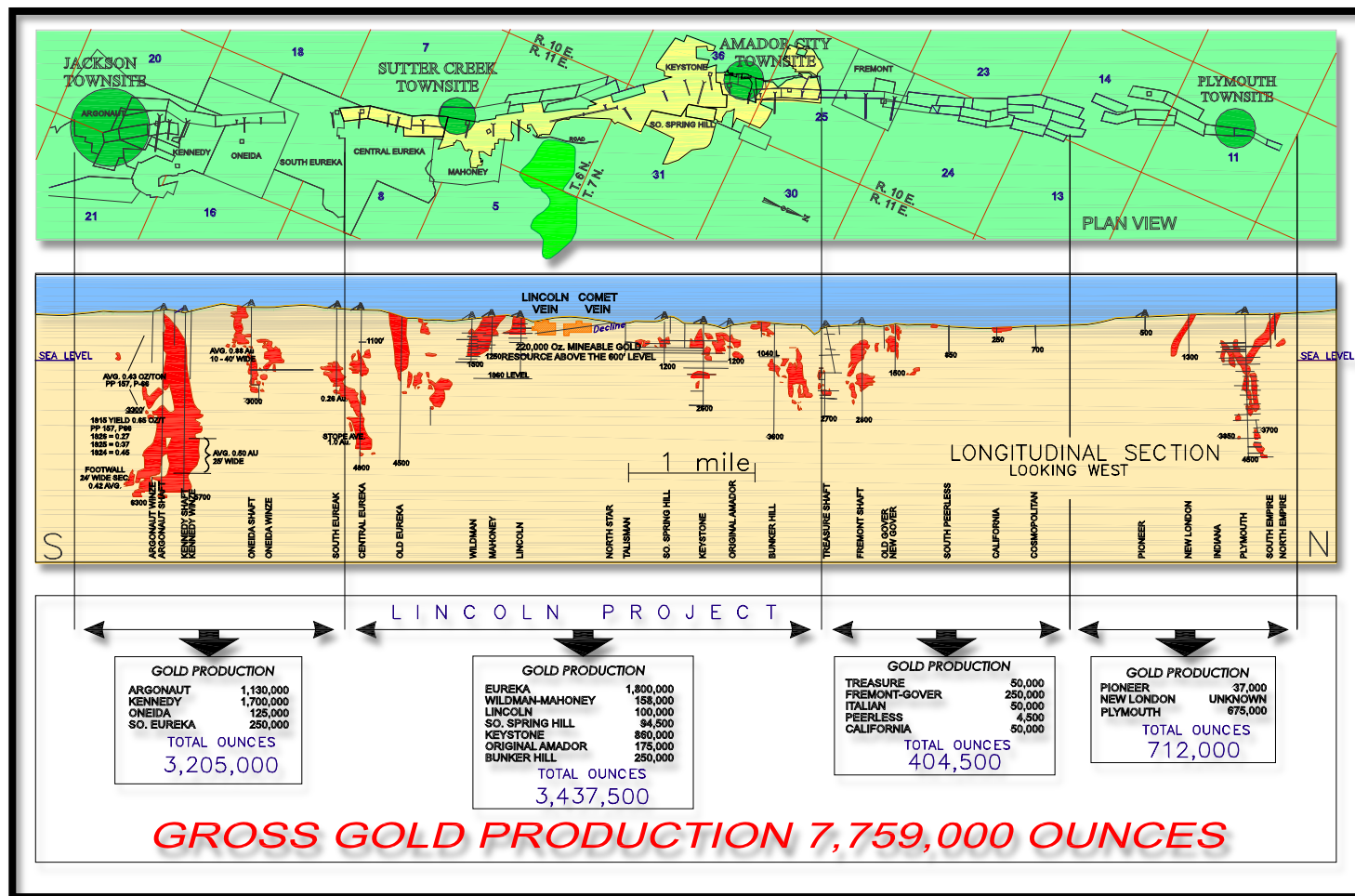
## ■ **Ingredients for Success:**

- Mining-friendly Amador County, excellent infrastructure
- Construction on track for fourth quarter 2012 gold production
- Management team incorporates strong cadre of narrow-vein mine experience and permitting expertise in California
- Strong financial backing of 49% shareholder, with initial tranche of project financing through US\$20M Prepaid Gold Facility

***Adjacent to Historic Hwy. 49***



## Sutter controls a significant portion of the “California Mother Lode” vein system



# Lincoln Mine Project

*Excellent Infrastructure*



- Located between the towns of Sutter Creek (the historic Lincoln Mine) and Amador City (the historic Keystone Mine)
- Accessible by Highways 49 and 104
- 45 miles southeast of Sacramento in Amador County
- Power, communication, and transportation infrastructure established



LOCATED IN THE PROLIFIC CALIFORNIA  
MOTHER LODE GOLD BELT

# Lincoln Mine Project History



1848

- John Sutter explored for timber in mid 1840's and briefly for gold in 1848 along the banks of what is now Sutter Creek

1851

- First gold discovery came in June 1851 by the Amador Quartz Mining Company. Leland Stanford gained control of the mine in the late 1850's, and renamed it the Lincoln

1851-1958

- From the 1850's to 1950's, gold production from the eight historic mines on SGM's current holdings exceeded 3.375 million ounces

1983-90

- First modern exploration effort occurred from 1983-1990. Stringbean Alley decline and other underground workings were developed in 1989-90

1998-99

- Project permitted for 1,000 tpd operation in 1998-99

2011

- Preliminary Economic Assessment for 150 tpd day operation  
Board of Directors approved Lincoln Mine Project development

# Mineral Inventory

*NI 43-101 compliant resource*



	Tons	Uncut Grade Oz/ton	Contained Ounces
<b>Indicated:</b>			
Lincoln-Comet	511,700	0.37	188,481
Keystone	161,900	0.21	34,563
<b>Total Indicated</b>	<b>673,600</b>	<b>0.33</b>	<b>223,044</b>
<b>Total Inferred</b>	<b>2,377,900</b>	<b>0.19</b>	<b>458,914</b>
<b>Total Indicated and Inferred contained ounces</b>			<b>681,958</b>

*Source: NI 43-101 Technical Report, February 2008, Payne*

*The project benefits from the good metallurgy of the Mother Lode  
including historic district gold recoveries of +95%*

# Lincoln Mine Project PEA



- **NI 43-101 Preliminary Economic Assessment (PEA):**

- Focused only on the upper portion of the Lincoln-Comet deposit
- Utilizes existing mine infrastructure to minimize development costs and accelerate start-up
- Base Case IRR of 20.5% at \$1,100/ounce gold

- **Sutter Gold Mining's Plan:**

Use contract mining to reduce CAPEX

Begin small (high grade) with built-in capacity to expand

Target lower op-costs despite contracting

RMB Gold Facility to provide \$13.4 million toward CAPEX

Increase IRR to 60% at \$1,600/ounce gold

Underground development will provide additional traditional exploration



# Lincoln Mine Project Parameters



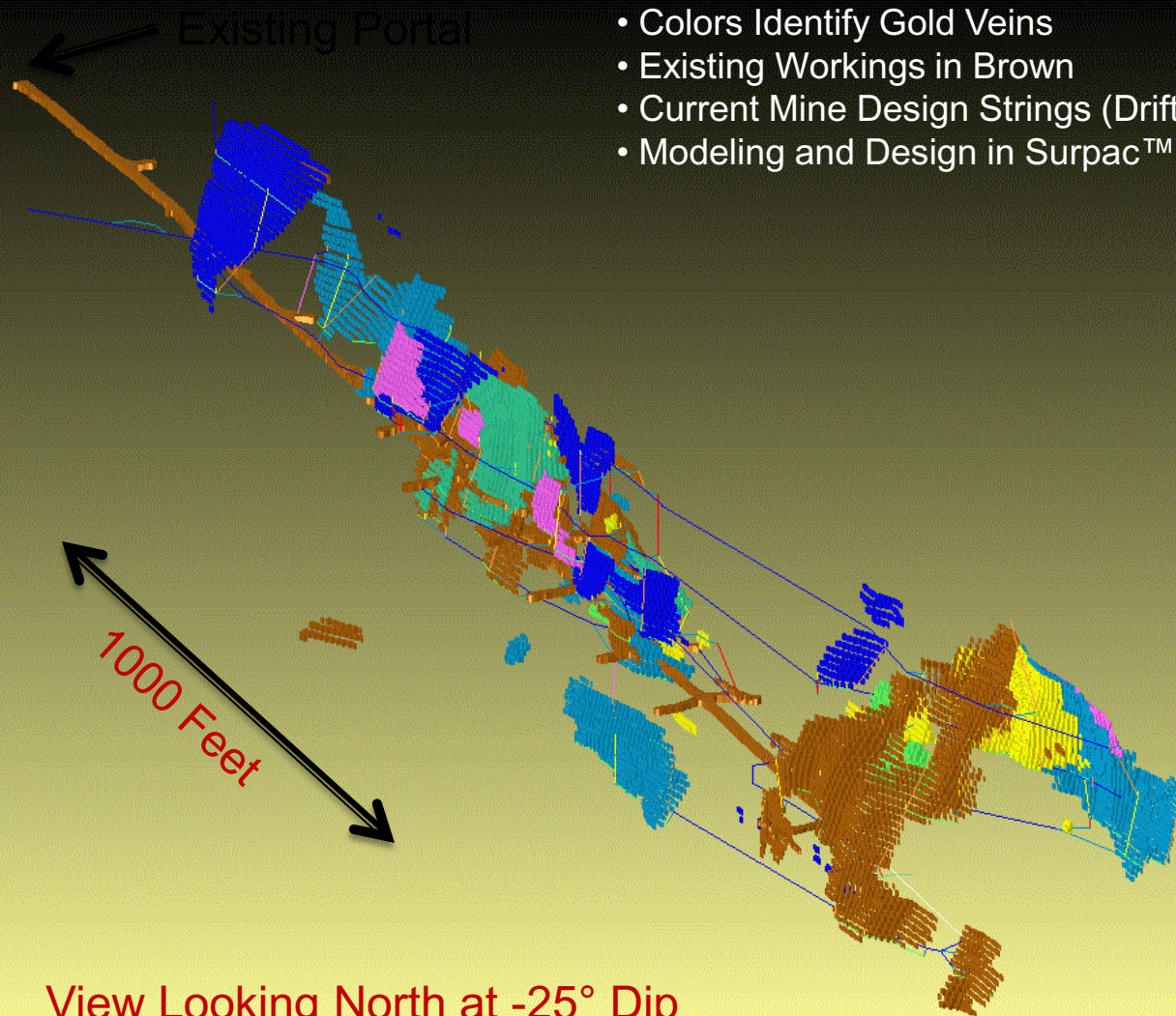
High-Grade Scenario	Five-Year Plan
Indicated / Inferred Resource	210,300 t material 0.573 opt (19.6 gpt)
Current Mining Plan	244,800 t material 0.46 opt (15.8 gpt)
Cutoff Grade	0.22 opt (7.5 gpt)
Mine Operating Rate	150 tpd (7 days / week)
Mill Operating Rate	210 tpd (5 days / week)
Annual Gold Production	23,000 ounces
Gold Processing	70% from Gravity Circuit 30% from Concentrate
Mining Cost / T	\$206.74
Milling Cost / T	\$42.10
Cash Cost /Ounce	\$704 before royalties





# Current Geologic Block Model & Workings

*Grade Shell & Design at 0.22 opt Au cut-off*





# Capital Requirements



## Capital Requirements – Lincoln Mine Project

Item	Estimated Cost USD\$ 000's
Mine Equipment	4,213
Mine Development	2,680
Process Plant	4,120
Waste Management	2,052
Infrastructure	1,691
Engineering	463
Owners Cost	4,716
<b>TOTAL</b>	<b>\$19,934</b>
<b>Expenditures to June 30, 2012</b>	<b>\$5,500</b>

# RMBAH Prepaid Gold Facility



## ■ US\$20 Million Prepaid Gold Facility

- In July 2011, the Company signed an agreement with RMB Australia Holdings (RMBAH) to implement a \$20 million prepaid gold facility
- The Company used the initial \$6.6 million of the proceeds to repay a previous credit line supplied by RMBAH. The remaining \$13.4 million is being drawn down to fund the Lincoln Mine Project and other corporate expenses
- As of June 30, 2012, the Company has drawn down \$20 million of the facility
- Repayment of the facility will work like this:

When gold production begins, half of the monthly production will be sold at market price, and half will be applied toward repayment of the facility. Of the gold to be applied toward repayment, the Company will receive \$942 per ounce.

As we draw down the \$20 million facility, we are effectively receiving \$377 per ounce for the 53,027 ounces included in the gold facility.

Our effective realized price for the gold in the prepaid facility is \$1,319 per ounce.

# Path to Production

New mill is under construction,  
with commissioning targeted  
in the fourth quarter



New ventilation portal for  
Lincoln Mine is under way

# Critical Path to Gold in Q4 2012

- **Underground mine development began in June 2012**
  - Local, experienced contractor developing underground
  - MSHA approved ventilation plan and emergency contingency plan, provided courtesy inspection
- **Surface Fill Unit construction during summer 2012**
  - Section 404 (Wetlands Permit) received from Army Corps of Engineers
  - SFU to be ready to receive tailings once mill is operating
- **Mill, other facilities to be operational in Q4 2012**
  - Mix of used and new equipment, some refurbishing required
  - New gravity circuit
  - Concentrate production to require third-party processing





# 2012 Exploration Program

- **Goal of the Program:**
  - Expand gold resources at the Lincoln Mine Project
  - Drill the under-explored area between the Lincoln and Comet ore zones
  - Better define the initial stage of underground mining





# Exploration Program Highlights



## Expand resources

Best results include **4.317 opt in 1.8-foot interval, 1.791 opt in 2.1-foot interval, 1.19 opt in 1.8-foot interval** – all bonanza grades

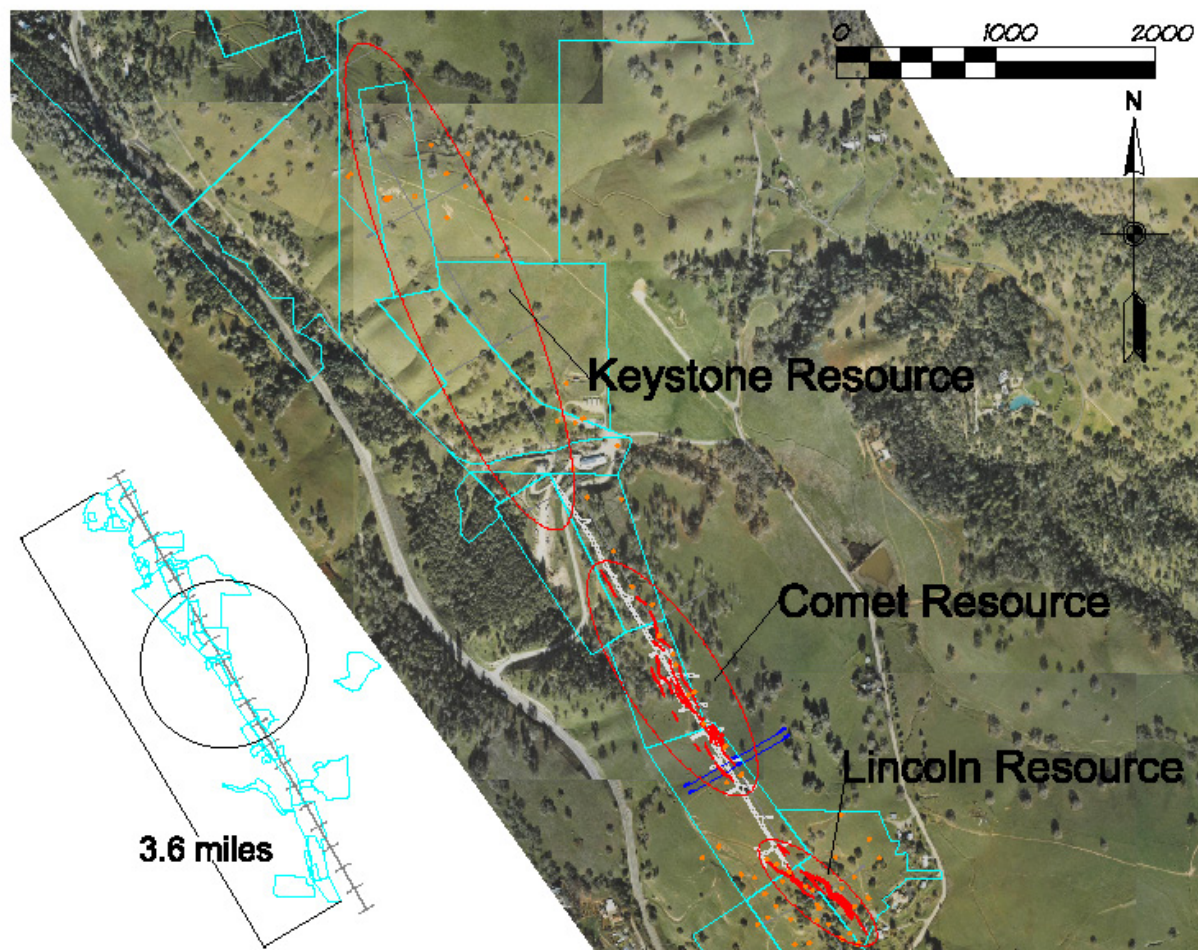
## Area Between Lincoln & Comet

Two new gold-bearing veins discovered. Will be followed up once we are underground.

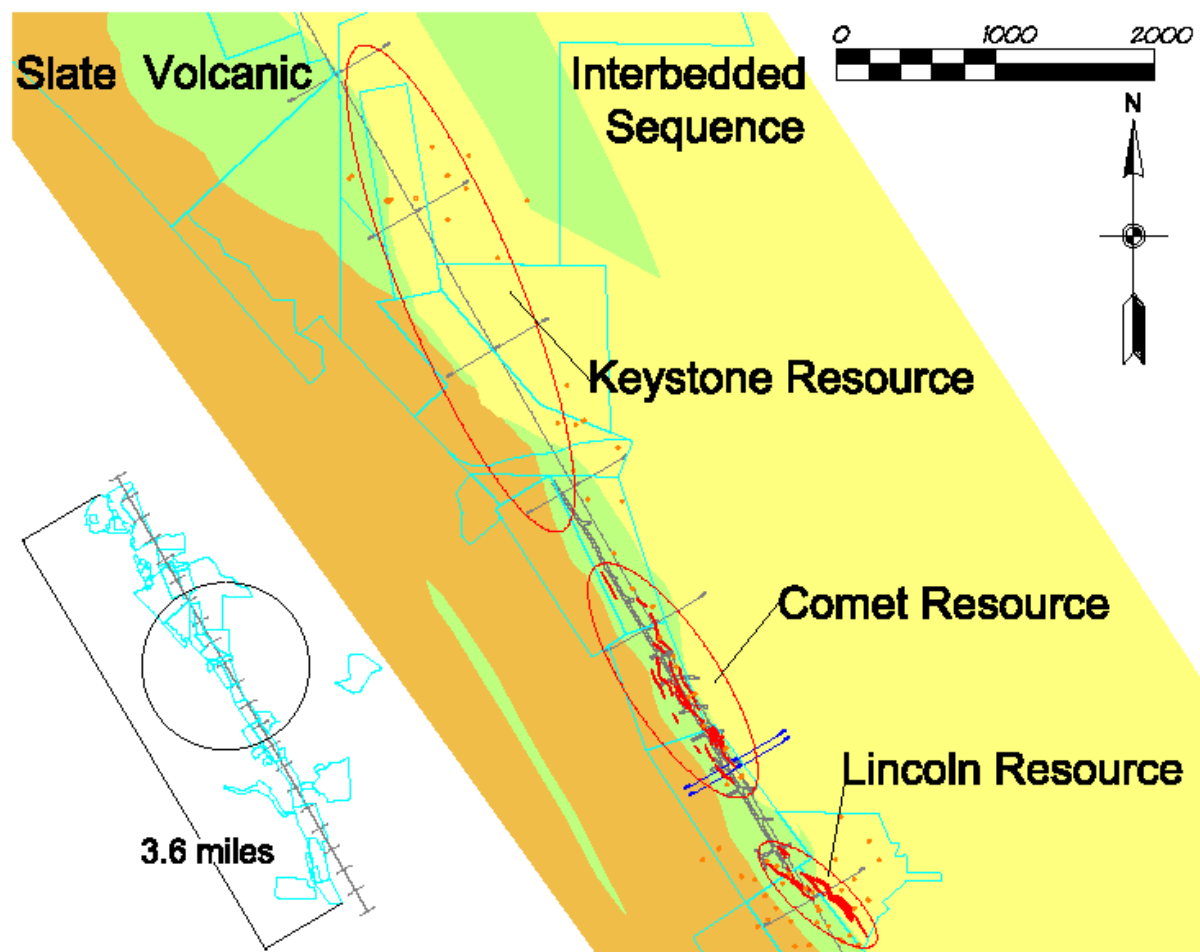
## Aid in Underground Development

Program included 22 holes, drilling almost 8,800 feet.

# Exploration Targeting



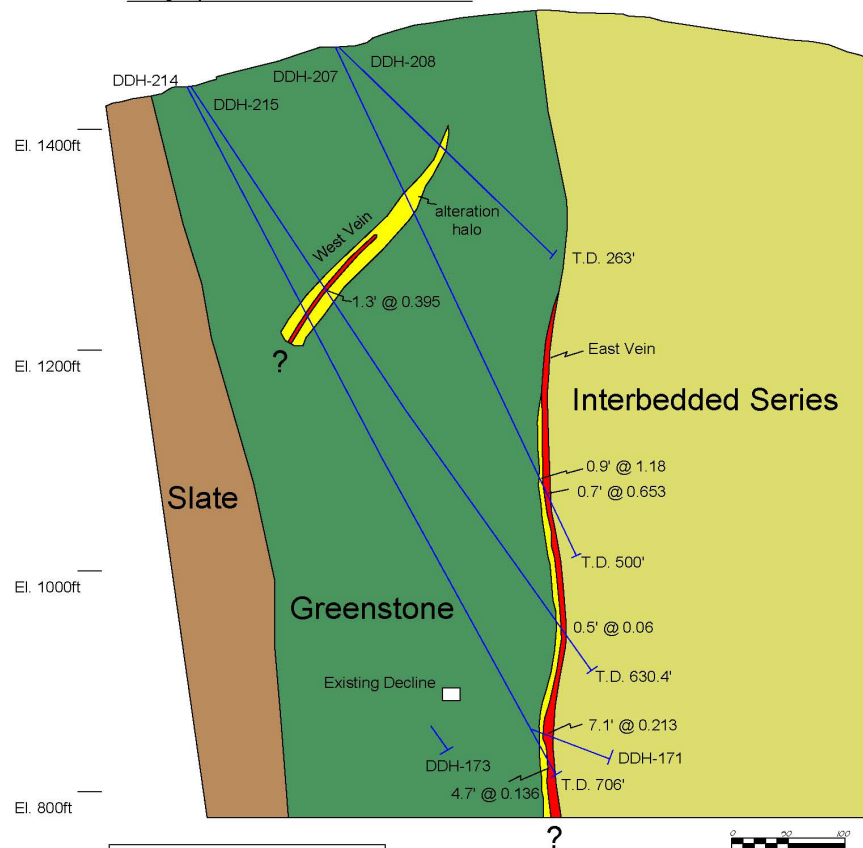
# Exploration Targeting



# Two New Gold-Bearing Veins



Diagraphic Cross Section 1700N



Sutter Gold Mining Company  
True thickness and ounces  
Au per ton shown

8/14/2012 S. Z.

# Our Future Potential Pipeline

*California Mother Lode*



- Exploration potential on other projects adjacent to the Lincoln project
- Keystone resource is included within current permits
- In June 2012, we optioned an additional one mile of patented mining claims to the north of the Lincoln Project. Up to six holes will be drilled this year.

**Lincoln**

***Keystone***

***Bunker Hill***

***Eureka***

# Investment Opportunity



- **Potential for a three-pronged increase in per-ounce gold multiple:**
  - As we complete construction of the first commercial gold mine in the California Mother Lode in more than 50 years
  - As we complete the ramp-up to full production in 2013
  - As we add to our near-term gold resource with current drilling program
- **Longer-term upside potential to grow shareholder value:**
  - Exploration on adjacent land holdings
  - Deep exploration once we are underground
  - Increasing leverage to gold price as we repay prepaid gold facility
  - Eventual ability to pay a dividend
  - Other opportunities using a similar model of smaller, narrow-vein, high-grade gold deposits







## SUTTER GOLD MINING

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TSXV:SGM OTCQX:SGMNF