Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Sutter Gold Mining Inc. (the Company)
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Item 2 Date of Material Change

August 31, 2006

Item 3 News Release

The news release dated August 31, 2006 was filed with the TSX Venture Exchange and the British Columbia, and Alberta, via SEDAR and disseminated through Canada Newswire to CDN Custom Disclosure Network and to the Issuer's Canadian email list; and posted on its website.

Item 4 Summary of Material Change

The Company announced the first results from its underground diamond drilling program at the project site located in the Mother Lode District east of Sacramento, California. Each of the first five underground core holes intersected high-grade gold mineralization with coarse visible gold noted in several of the vein quartz intercepts, and strong values were encountered in two new veins not previously reported in the 2006 Mineral Resource estimate

Item 5 Full Description of Material Change

By news release dated August 31, 2006, the Company announced the first results from its underground diamond drilling program at the project site located in the historic Mother Lode District east of Sacramento, California. Each of the first five underground core holes intersected high-grade gold mineralization with coarse visible gold noted in several of the vein quartz intercepts. Holes 163 – 167 have successfully intersected high-grade values outside the boundaries of the previously estimated resources in several vein structures and encountered strong values in two new veins not previously reported in the 2006 Mineral Resource estimate (March 2006 NI 43-101 Resource Report). The drilling has validated Sutter Gold's structural and ore control models and continued to demonstrate the geological continuity of the Comet veins. The results of the first five holes represents 1,073 feet of the overall 18,000 foot surface and underground program. To date, fourteen underground core holes totaling 3,000 feet have been completed. The surface drilling campaign is presently underway.

The Company is currently drilling hole #15 (out of a total of 24 planned drill holes). Samples are being sent to the assay lab every week. The results of the next five drill holes will be released once the assays results are received and evaluated by the Company's consulting geologist.

RESULTS AND ANALYSIS

Results from SGM's five diamond drill holes, located on cross-section lines 1800N, and 2200N are shown in the table below.

Drill Holes 163 - 167 Assay Summary

Hole#	Interval (ft)*	Oz./Ton/Au	Vein	Visible Au in Core
DDH-163	E 41,441.8; N 71,328.0; bear 208 deg, +79 deg, 249 ft			
	119.0 – 125.0 ft	6.0 ft @ 2.092	40 Vn	Au
		including		
	122.0 – 125.0 ft	3.0 ft @ 4.163		
DDH-164	E 41,439.7; N 71,328.2; bear 307 deg, +64 deg, 365 ft			
	82.0 – 85.0 ft	3.0 ft @ 0.088	44 Vn	Au
	96.0 – 111.0 ft	15.0 ft @ 0.185	42 Vn	
		including		
	96.0 – 99.0 ft	3.0 ft @ 0.219 and		
	108.0 – 111.0 ft	3.0 ft @ 0.289		
	135.9 – 139.2 ft	3.3 ft @ 0.088	40 Vn	Au
	240.0 – 243.0 ft	3.0 ft @ 0.195	45 Vn	Au
	261.0 – 264.0 ft	3.0 ft @ 1.429	unnamed branch vn	
DDH-165	E 41,374.8; N 71,320.0; bear 59 deg, +76 deg, 274 ft			
	33.0 – 54.0 ft	21.0 ft @ 0.465	first segment 42 Vn	Au
		including		
		9.0 ft @ 0.992		
	57.0 – 73.0 ft	16.0 ft @ 0.125	second segment 42 Vn	
		including		
		7.0 ft @ 0.239		
	87.0 – 90.0 ft	3.0 ft @ 0.316	44 Vn	
	108.0 – 160.0 ft	52.0 ft @ 1.616	third segment 42 Vn	Au
		including		
	111.0 – 114.0 ft	3.0 ft @ 0.194 and		
	135.0 – 138.0 ft	3.0 ft @ 3.867 and		
	147.9 – 160.0 ft	12.1 ft @ 5.878		
	198.0 – 205.0 ft	7.0 ft @ 3.108	40 Vn	
	228.0 – 238.0 ft	10.0 ft @ 1.208	20 Vn	
DDH-166	E 41,374.5; N 71,324.0; bear 6 deg, -29 deg, 110 ft			

	40.0 – 46.0 ft	6.0 ft @ 0.403	44 Vn
	55.0 – 61.0 ft	6.0 ft @ 0.275	31 Vn
	79.0 – 88.0 ft	9.0 ft @ 2.173	26 Vn
DDH-167	E 41,523.0; N 70,945.0; bear 30 deg, -38 deg, 75 ft		
	62.0 – 71.0 ft	9.0 ft @ 2.182	42 – 47 Vn junction

** True vein widths for DDH - 165, in which the drill hole crossed the vein at an acute angle, are approximately 20% of the high grade intervals, and 50% for intercepts in holes 163, 164 and 166.*

"The 2006 drill program thus far is producing the results we had hoped for, providing geologic and grade continuity information to support expansion of the Indicated and Inferred Mineral Resources for the targeted veins. The successful identification of strong gold mineralization outside of the present Indicated Resources validates Sutter Gold's models for continuity and lateral extensions of the gold bearing veins. Thus, we are confident that ounces can be moved from the Inferred Resources category (2,697,400 tons @ 0.193 oz/ton containing 521,000 ounces Inferred and 492,900 tons @ 0.352 oz/ton containing 173,000 ounces Indicated, March 2006 43-101 Resource Report) into the Indicated Resources category, which was the primary goal of the Company's $ 1.2 million (Cdn) diamond drill program," stated Mr. Hal Herron, President. "In addition, we have found high-grade mineralization in new areas in the first five holes and are confident that new resources will be added. The proposed drilling program only involves some 10% of the Company's 3.2 miles of property position along the Mother Lode trend, leaving some 90% of the property open for further exploration along strike and at depth. The anticipated results should allow us to move forward with an independent engineering report to support financing to move the project forward."

All core samples from the drilling program are cut in half with a diamond saw, with one half of the core being prepped and analyzed using screened metallics fire assay methods by American Assay Laboratory in Reno, NV. The remaining half core is stored in a secured facility at the Sutter Gold site for future inspection and assay verification. Standards and blanks are inserted into all sample shipments and a minimum of 10 percent of samples are resubmitted for duplicate analysis.

The Sutter Gold 2006 core drilling program is planned and supervised by Mr. Mark Payne, P.Geo. Calif. 7067, the Qualified Person for the Sutter Gold Project, as defined by NI 43-101, and who reviewed the news release.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

For additional information, please contact:
Hal Herron, CEO, 307-856-9271 or via e-mail at hal@usnrg.com

Item 9 Date of Report

September 7, 2006