FORM 51-102F3
MATERIAL CHANGE REPORT

1: Reporting Issuer
Sutter Gold Mining Inc. ("Sutter" or the "Company")
410-325 Howe Street
Vancouver, B.C. V6C 1Z7

2: Date of Material Change
July 30, 2008.

3: News Release
A news release disclosing in detail the material summarized in this material change report was disseminated through the facilities of Marketwire on July 30, 2008 and would have been received by the securities commissions where Sutter is a "reporting issuer" and the stock exchange on which the securities of Sutter are listed and posted for trading in the normal course of their dissemination.

4: Summary of Material Change

Sutter Gold Mining Inc. is arranging for a non-brokered private placement of a minimum of $2 million and up to a maximum of $4 million.

5: Full Description of Material Change

Sutter is pleased to provide an update relating to its non-brokered private placement of a minimum of 18,181,819 units and up to a maximum of 36,363,636 units at $0.11 per unit to raise aggregate gross proceeds of a minimum of $2 million and up to a maximum of $4 million. Each unit of the private placement will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share in the capital of SGMI for a period of 24 months following the closing of the private placement at a price of $0.15 per share. All securities issued under the private placement will be subject to a four-month hold period.

RMB Resources Ltd. ("RMB"), as trustee for the Telluride Trust, entered into an agreement with U.S. Energy Corp. ("USE"), announced on June 13, 2008, pursuant to which USE has agreed to sell an aggregate of 39,062,720 common shares of SGMI (representing approximately 49.9% of the outstanding common shares of SGMI as at the date thereof) to RMB (the "Acquisition"). The private placement is expected to close following the completion of the Acquisition. RMB will subscribe for such number of units under the private placement in order to allow it to maintain its proportionate ownership interest (49.9%) in SGMI. USE is also expected to subscribe for up to $500,000 of units under the private placement.

The participation of USE in the private placement is considered to be a “related party transaction” under securities legislation. Proceeds from the private placement will be used to fund further exploration and analysis of the Sutter Gold Mine in California and for general working capital.

Upon completion of the private placement, USE will own 8,096,463 common shares of the Company (representing approximately 8.5% of the outstanding common shares of the Company).

As the decision of USE to participate in the private placement was made subsequent to the decision by the Board of Directors to authorize the private placement, no special consideration was given to an independent approval process at the time of authorizing the private placement. As the subsequent participation by USE in the private placement did not exceed 25% threshold described below, the Board determined there was no need for an independent approval process in light of the participation of USE.

In connection with the private placement, the Company proposes to enter into an agreement with RMB and USE, whereby, among other things, the Company has granted RMB the pre-emptive right to purchase its pro rata interest in any subsequent offering of shares and USE will grant RMB a right of first refusal in respect of the shares it purchases in the private placement. The Company will agree not to accept any transfer of USE’s shares in contravention of such agreement.

Neither the fair market value of the units nor the consideration to be received by SGMI for the units exceeds 25% of the market capitalization of SGMI and, therefore, no formal valuation or minority shareholder approval is required in respect of the transaction.

The closing of this private placement is subject to the TSX Venture Exchange’s final approval.

5.2: Disclosure for Restructuring Transactions
N/A

6: Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102
N/A

7: Omitted Information
N/A

8: Executive Officer
Please contact Mr. Mark T. Brown at 604-687-3520 if there are any questions.

9: Date of Report
July 30, 2008.