

## **Sienna Gold Inc.**

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### **SIENNA GOLD INC. ANNOUNCES PROPOSED FINANCING**

August 29, 2005

#### **PRESS RELEASE FOR IMMEDIATE RELEASE**

Calgary, Canada – **Sienna Gold Inc.** (“Sienna” or the “Corporation”) (TSXV - SGP) wishes to announce that it has entered into a letter of intent with Wolverton Securities Ltd. (the "Agent") in respect to a best efforts financing for \$5,000,000, to be done pursuant to a short form prospectus. Proceeds will be used for further exploration work on the Corporation's Igor project in Peru, for general working capital, and for initial reviews of the Corporation's two recently acquired grass roots properties, also in Peru. This financing is subject to regulatory approval, due diligence by the Agent and certain other conditions usual to a transaction of this nature.

In the interim, the Corporation has entered into a short term working capital loan agreement with 2 individuals, including an insider, for \$170,000. The principal is due on demand, and the Corporation, subject to regulatory approval, will issue compensation shares to be priced at the same price as the proposed prospectus offering equal to 20% of the principal. The Corporation intends to repay this loan out of the proceeds of the proposed prospectus financing.

Sienna Gold Inc. is a gold exploration company with various property interests in Peru. It's key prospect is the Igor Mine Project, a formerly producing mine that the Corporation plans to explore further and put back into production. The Corporation also has interests in 2 other mineral exploration properties in Peru, both at the early stages of exploration.

For any further information contact:

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*The TSX Venture exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*