

SIENNA GOLD INC. ANNOUNCES \$5 MILLION PUBLIC SHARE OFFERING

Calgary, Alberta (TSX Venture: SGP) - Further to a press release dated August 29, 2006, Sienna Gold Inc. ("Sienna" or the "Company") announces that it has appointed Wolverton Securities Ltd. of Calgary, Alberta as lead agent to sell 7,150,000 units at a price of \$0.70 per unit by way of a short form prospectus for an offering of \$5,005,000 million on a best efforts agency basis.

Each unit consists of one common share and one half of a warrant. Each whole warrant entitles the holder to subscribe for one common share at a price of \$0.90 for a period of one year from closing, subject to the Company's right to accelerate the expiry date in certain circumstances. The Company plans to file the preliminary short form prospectus shortly, and anticipates closing to occur by the end of October 2006, or sooner.

Of the net proceeds to be received by Sienna from the sale of units sold by it under the offering, Sienna intends to use approximately \$3,360,000 for further exploration on its Peruvian gold properties. The balance will be used for debt repayment and general working capital.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, the units in any jurisdiction, including the United States, or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption therefrom, nor shall there be any sale of the units in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. The units being offered will not be, and have not been, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States, or to, or for the account or benefit of, a U.S. person, absent U.S. registration or an applicable exemption therefrom.

Sienna is a publicly traded company listed on the TSX Venture Exchange under the symbol "SGP" with gold exploration properties in Peru. Further information on Sienna can be found under the Company's listing at www.sedar.com and on the Company's website at www.siennagold.com.

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The TSX Venture Exchange has neither approved nor disapproved of the information contained herein. Statements in this press release regarding the Company's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.