

FINAL RESULTS FROM SAN DIEGO PROJECT

VANCOUVER (August 25, 2005) - Harvey Keats, President of Terra Nova Gold Corp. announces that assay results from the final six of ten NQ holes drilled at the San Diego Project in Michoacan, Mexico have been received. All samples have been assayed for copper, molybdenum, gold and zinc. There are no grades of economic significance in the ten holes.

The main porphyry phase encountered in the ten holes is a granodiorite porphyry which has been systematically intruded by a quartz diorite porphyry. Both of these phases have been intruded by a series of younger diorite or diabase dikes. The alteration phase is principally potassic with significant secondary biotite and locally, quartz veinlets. Seven holes also intersected several intervals of schist and gneiss that host the intrusive rocks. Mineralization occurs mostly as pyrite and trace amounts of chalcopyrite and molybdenite over large areas. Secondary chalcocite was intersected in some of the holes, but there is no significant supergene enrichment.

Assays for **SD-05-01** to **04** were previously reported in the Company's news release dated June 6, 2005.

SD-05-05 (Zone 14N: UTM: 277603E; 2118737N; Elevation: 867m; Dip:-75⁰; Azimuth: 180⁰; Depth: 309.80m)

Copper grades are generally less than 1,000 ppm with occasional grades greater than 1,000 ppm with a maximum of 4,530 ppm over 0.5 metres from 242.8 metres to 243.30 metres. Molybdenum grades are generally less than 100 ppm with a maximum of 210 ppm over 0.95 metres from 302.2 metres to 303.15 metres.

SD-05-06 (Zone 14N: UTM: 278861E; 2119265N; Elevation: 797m; Dip:-75⁰; Azimuth: 180⁰; Depth: 265.10m)

Copper grades are generally less than 1,000 ppm with many grades greater than 1,000 ppm with a maximum of 2,160 ppm over 2.15 metres from 54.0 metres to 56.15 metres. Molybdenum grades are generally less than 100 ppm with a maximum of 144 ppm over 2.5 metres from 199.0 metres to 201.5 metres.

SD-05-07 (Zone 14N: UTM: 278846E; 2118891N; Elevation: 792m; Dip:-75⁰; Azimuth: 180⁰; Depth: 27.6m)

SD-05-07 was abandoned at 27 metres. Copper grades are all greater than 1,000 ppm with a maximum of 2,150 ppm over 2.25 metres from 23.05 metres to 25.3 metres. Molybdenum grades are less than 100 ppm with one assay of 111 ppm over 2.2 metres from 20.85 metres to 23.05 metres.

TERRA NOVA GOLD CORP.
3rd Floor, 157 Alexander Street, Vancouver, B.C. Canada V6A 1B8
Tel: (604) 684-0561 □ Fax: (604) 602-9311 □ Toll Free: 1-800-565-5336
Web: www.terranovagold.com □ E-Mail: terranova@bed-rock.com

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This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, Investors should review the Company's registration statement on Form 20-F filing with the United States Securities and its home jurisdiction filings that are available at www.sedar.com.

SD-05-7A (Zone 14N: UTM: 278846E; 2118891N; Elevation: 792m; Dip:-75⁰; Azimuth: 180⁰; Depth: 137.25m)

Copper grades are generally less than 2,000 ppm with occasional grades greater than 2,000 ppm with a maximum of 3,070 ppm over 1.1 metres from 84.5 metres to 85.6 metres. Molybdenum grades are generally less than 100 ppm with many grades greater than 100 ppm and a maximum of 481 ppm over 1.95 metres from 115.55 metres to 117.5 metres.

SD-05-08 (Zone 14N: UTM: 278282E; 2119384N; Elevation: 927m; Dip:-60⁰; Azimuth: 135⁰; Depth: 158.65m)

Copper grades are generally less than 1,000 ppm with only two samples greater than 1,000 ppm and a maximum of 1,515 ppm over 2.5 metres from 98.2 metres to 100.7 metres. Molybdenum grades are generally less than 100 ppm with only one sample greater than 100 ppm at 166 ppm over 2.55 metres from 124.3 metres to 126.85 metres.

SD-05-09 (Zone 14N: UTM: 278427E;2119730N; Elevation: 797m; Dip:-60⁰; Azimuth: 180⁰; Depth: 199.15m)

Copper grades are all less than 1,000 ppm and molybdenum grades are all less than 100 ppm.

Drill core is split with a mechanical splitter. The bagged samples are delivered to the ALS Chemex sample preparation lab in Guadalajara, Mexico where they are crushed to 70% passing -2mm, split with a riffle splitter and pulverized to 85% passing 75 microns. The pulps are sent to the ALS Chemex lab in Vancouver, BC where base metal values are determined by aqua regia digestion and 34 element ICPAES analysis. Gold values are determined by fire assay with an AAS finish on a 30 gm sample weight.

The Company has the option to earn a 50% interest in the San Diego Property from Noranda Exploracion Mexico, S.A. de C.V., by incurring a total of CDN\$15,000,000 on exploration and related work on or before May 31, 2009. The 2005 program was carried out by San Diego Project operator Noranda Exploracion Mexico, S.A. de C.V.

The Company will review all the data available on the San Diego Project with Noranda to evaluate whether the project merits additional exploration.

Kerry Sparkes, Director of the Company, is the designated Qualified Person responsible for the technical information in this news release.

On behalf of the Board of Directors,
TERRA NOVA GOLD CORP.

“Harvey Keats”
President

TERRA NOVA GOLD CORP.
3rd Floor, 157 Alexander Street, Vancouver, B.C. Canada V6A 1B8
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Web: www.terranovalgold.com □ E-Mail: terranoval@bed-rock.com

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