



## SKY GOLD REPORTS DRILL RESULTS FROM THE MUSTANG PROJECT, NEWFOUNDLAND

**Vancouver, British Columbia - July 15, 2021 - Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company")** reports on the results from the diamond drill program on the Company's Mustang Property contiguous to the Queensway Gold Project, owned by New Found Gold Corp. ("New Found").

A total of 19 diamond drill holes comprising 3,283 meters were completed, with one additional hole (MT-21-10a) lost at 47 meters, and re-drilled. All holes were directed at interpreted epithermal structurally controlled gold mineralization in the Mustang Zone, located on the eastern portion of the property. Previous exploration on the Mustang Zone in the 1980's and 1990's had returned significant gold mineralization in surface rock samples, soil geochemical samples and diamond drill core. The Company's 2020-2021 diamond drill program confirmed and expanded the gold mineralization on the Mustang Zone.

Highlights include:

- Drilling was conducted in three areas along a 1.2 kilometer strike length, trending North-North-East and South-South-West.
- Several narrow intercepts of gold mineralization were intercepted in multiple holes (e.g. MT-21-14, 3.80 grams per tonne gold (g/t Au) over 1.50 meters (m) at 36.42 m depth, 7.77 g/t Au over 0.50 m at 66.04 m, and in MT-21-15, 7.49 g/t Au over 0.50 m at 99.3 m depth). See Table 2 below, highlighting assay values of 0.50 g/t Au or greater, with completed assay data and cross-sections available on the Company's website (<http://www.skygoldcorp.com>).
- Wider intervals of lower grade gold values were intercepted in multiple holes, with potential for low-grade bulk-style mineralization on portions of the Mustang Zone. Intervals include MT-21-14, 0.78 g/t Au over 32.85 m from a depth of 15.00 m, and MT-20-01, 0.58 g/t Au over 20.32 m from a depth of 80.18 m.

Company President and CEO Mike England commented "The initial diamond drill program on the Mustang Zone has confirmed and expanded the previously identified mineralized targets. We have only tested a limited portion of the entire length of the Mustang Zone and have numerous drill targets on the western portion of the property, and new gold-in-soil geochemical targets that warrant additional drilling."

All of the Company's field activities are conducted under Federal and Provincial COVID-19 operating protocols and safety measures as required. Planet X Exploration Services Ltd.'s field crews, retained through Grassroots Prospecting, a local, Newfoundland-based prospect generation company, are undertaking all field and drill activities on the Company's Newfoundland properties.

Figure 1: Location of the Mustang Property and area of current drilling.

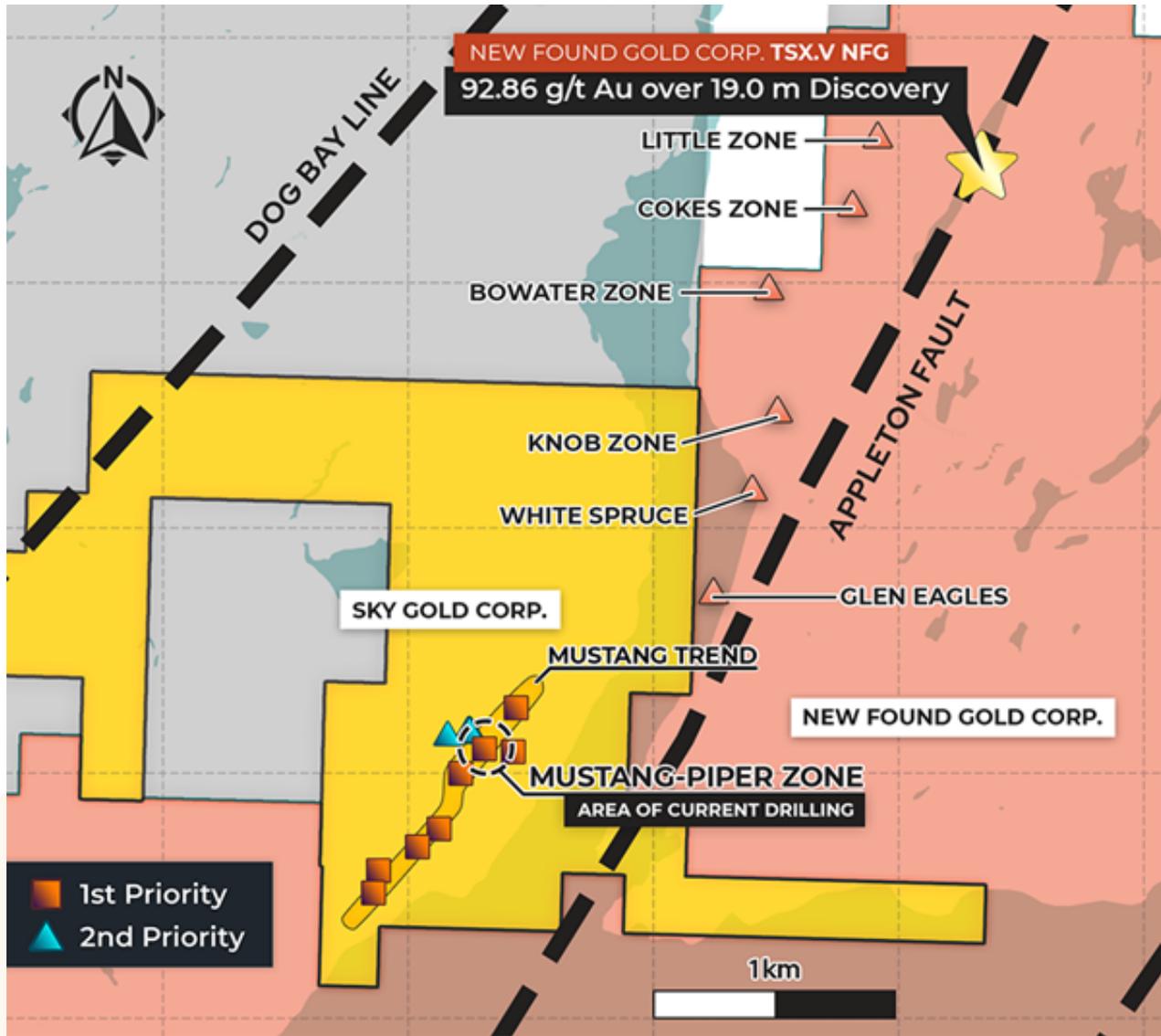


Table 1: Drilling Summary

Drill ID	Easting	Northing	Azimuth	Dip	Depth(m)	Drill ID	Easting	Northing	Azimuth	Dip	Depth(m)
PP-MT-20-01	653824	5422299	137	-52	150	PP-MT-21-11	653774	5422266	134	-45	150
PP-MT-20-02	653825	5422342	134	-58	186	PP-MT-21-12	653774	5422266	134	-60	162
PP-MT-20-03	653786	5422350	226	-58	161	PP-MT-21-13	653776	5422275	134	-45	152
PP-MT-20-04	653797	5422515	134	-48	123	PP-MT-21-14	654215	5422887	134	-45	152
PP-MT-20-05	653846	5422546	134	-48	170	PP-MT-21-15	654189	5422913	134	-60	160
PP-MT-20-06	653880	5422505	134	-59	296	PP-MT-21-16	654230	5422908	134	-45	150
PP-MT-20-07	653971	5422569	134	-52	225	PP-MT-21-17	654281	5422962	134	-45	152
PP-MT-21-08	653982	5422538	314	-54	152	PP-MT-21-18	654147	5422956	134	-52	240
PP-MT-21-09	653995	5422556	134	-45	200	PP-MT-21-19	654275	5422827	314	-45	162
PP-MT-20-10a	653925	5422450	134	-45	47					<b>Total</b>	<b>1850</b>
PP-MT-21-10	653925	5422450	134	-45	140						

Figure 2: DRILL PLAN -NORTH AREA



**Table 2: North Zone Drilling Results**

<b>MUSTANG ZONE- NORTH AREA</b>				
<b>Mustang Assay values best sections (0.9 g/t cut-off)</b>				
<b>Hole #</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Sample length (m)</b>	<b>Au (g/t)</b>
MT-21-14	66.0	66.5	0.50	7.77
MT-21-14	37.4	37.9	0.50	4.58
MT-21-14	36.9	37.4	0.50	4.02
MT-21-14	36.4	36.9	0.50	2.81
MT-21-14	25.5	26.0	0.50	2.33
MT-21-14	33.9	34.5	0.63	2.10
MT-21-14	44.9	45.4	0.50	1.77
MT-21-14	20.1	20.4	0.30	1.72
MT-21-14	34.5	34.9	0.43	1.37
MT-21-14	46.9	47.4	0.50	1.36
MT-21-14	20.4	21.0	0.54	1.34
MT-21-14	18.7	19.2	0.50	1.21
MT-21-14	122.2	122.7	0.50	1.21
MT-21-14	25.0	25.5	0.50	1.19
MT-21-14	15.0	15.5	0.50	1.09
MT-21-14	32.8	33.3	0.50	1.02
MT-21-14	44.4	44.9	0.50	1.01
MT-21-14	42.4	43.4	0.91	0.97
MT-21-14	34.9	35.4	0.49	0.94
MT-21-14	26.0	26.4	0.45	0.89
MT-21-14	21.0	21.4	0.38	0.87
MT-21-14	43.4	43.9	0.50	0.87
MT-21-15	99.3	99.8	0.50	7.49
MT-21-15	98.8	99.3	0.50	2.67
MT-21-15	72.3	72.7	0.41	2.01
MT-21-15	133.3	133.7	0.37	1.52
MT-21-15	108.5	109.0	0.50	1.50
MT-21-15	99.8	100.3	0.50	1.41
MT-21-15	131.9	132.3	0.40	1.18
MT-21-15	109.5	110.0	0.50	1.13
MT-21-15	77.9	78.2	0.30	1.06
MT-21-15	71.8	72.3	0.52	1.04
MT-21-15	108.0	108.5	0.50	1.03
MT-21-15	131.1	131.6	0.50	0.97
MT-21-15	130.6	131.1	0.50	0.95
MT-21-15	130.1	130.6	0.50	0.90
MT-21-16	46.6	47.2	0.51	3.43
MT-21-16	121.5	122.0	0.50	1.44
MT-21-16	32.0	32.5	0.50	1.44
MT-21-16	42.2	43.2	1.00	1.25

<b>MUSTANG ZONE- NORTH AREA</b>				
<b>Mustang Assay values best sections (0.9 g/t cut-off)</b>				
<b>Hole #</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Sample length (m)</b>	<b>Au (g/t)</b>
MT-21-16	122.0	122.5	0.50	1.23
MT-21-16	43.2	44.2	1.00	1.07
MT-21-16	13.0	13.3	0.30	0.99
MT-21-17	51.4	51.9	0.50	1.39
MT-21-17	12.1	12.8	0.70	1.28
MT-21-17	118.2	118.7	0.50	1.16
MT-21-19	62.0	62.5	0.50	2.23
MT-21-19	102.0	102.5	0.50	2.22
MT-21-19	93.3	93.8	0.50	1.91
MT-21-19	101.0	101.5	0.50	1.81
MT-21-19	89.3	89.8	0.50	1.79
MT-21-19	88.8	89.3	0.50	1.64
MT-21-19	61.5	62.0	0.50	1.19
MT-21-19	90.8	91.3	0.50	0.89
MT-21-19	94.8	95.3	0.50	0.86

Figure 3: **DRILL PLAN - SOUTH AREA**



**Table 3: South Zone Drilling Results**

<b>MUSTANG ZONE- SOUTH AREA</b>				
<b>Mustang Assay values best sections (0.9 g/t cut-off)</b>				
<b>Hole #</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Sample length (m)</b>	<b>Au (g/t)</b>
MT-20-01	87.7	88.2	0.50	2.47
MT-20-01	100.0	100.5	0.50	2.16
MT-20-01	86.2	86.7	0.50	1.58
MT-20-01	68.5	69.0	0.50	1.47
MT-20-01	99.0	99.5	0.50	1.39
MT-20-01	36.5	37.0	0.49	1.25
MT-20-01	80.2	80.7	0.50	1.19
MT-20-01	99.5	100.0	0.50	1.18
MT-20-01	13.4	15.0	1.65	1.17
MT-20-01	65.0	65.5	0.50	1.16
MT-20-01	30.0	30.5	0.50	1.04
MT-20-01	31.5	32.0	0.50	1.00
MT-20-01	11.4	12.4	1.00	0.98
MT-20-01	89.7	90.2	0.50	0.91
MT-20-01	31.0	31.5	0.50	0.90
MT-20-07	166.2	167.3	1.06	1.38
MT-20-07	167.3	168.2	0.99	1.29
MT-21-09	64.7	65.2	0.52	1.25
MT-21-10	65.0	65.3	0.30	2.08
MT-21-10	101.5	102.5	1.00	1.57
MT-21-10	57.1	57.9	0.79	1.54
MT-21-10	83.6	84.6	1.02	1.22
MT-21-10	55.7	56.1	0.40	1.09
MT-21-10	170.8	171.9	1.05	0.89
MT-21-10	174.4	175.0	0.63	0.89
MT-21-10	173.7	174.4	0.64	0.87
MT-21-11	108.5	108.8	0.30	1.62
MT-21-11	108.0	108.5	0.50	0.57

All core samples were secured delivered to Eastern Analytical Laboratory in Springdale, Newfoundland, for analysis, an ISO/IEC17025 accredited laboratory. QA/QC included the systematic insertion of certified standards and blanks. Core samples were analyzed for the ICP-34 package (34 element 4 acid leach, ICP-OES finish) and the Fire Assay (30g) with AA finish. Eastern Analytical also provides its own internal QA/QC protocol of blanks, duplicates and standards in each work order, which is supplied to the Company.

## **SKY GOLD'S NEWFOUNDLAND PROJECTS**

### Virginia Property

The Virginia property comprises 100 hectares and is approximately 5.7 kilometres northeast of New Found's drill hole NFGC-19-01 which intersected 92.86 Au g/t over 19 m (see New Found press release dated August 12, 2020). Historic results completed in the early 1990s by Manor Resources Ltd., reports two areas of mineralization (Zone A-2). One showing comprised quartz veining developed over a 35 m wide zone within sheared gabbro and graphitic shale (main shear) returning up to 8.7 Au g/t, and a second showing comprised a sheared gabbro returned a grab sample up to 109.6 Au g/t.

### Mustang Property

The Mustang property comprises 1,625 hectares and is contiguous to New Found Gold's Queensway project and approximately five kilometres southwest of their discovery hole. The Mustang property hosts numerous gold prospects including the Mustang and Piper zones, on trend with New Found Gold Corp's current drill program, and the Road Breccia, Jasperoid, and Barite showings on the western portion of the property.

### **Qualified Person**

Catherine Fitzgerald, P.Geo., a Qualified Person under National Instrument 43-101, and Independent Director of Sky Gold, is the Qualified Person responsible for reviewing and approving the technical contents of this news release as they pertain to the Mustang and Virginia properties.

### **About Sky Gold Corp.**

Sky Gold Corp. is a junior mineral exploration company engaged in acquiring and advancing mineral properties in Canada and the USA. In addition to the Company's Newfoundland properties, the Company also owns the Evening Star property, located 12 km southeast of Hawthorne, NV, which is prospective for gold mineralization and CRD (Carbonate Replacement Deposit) base and precious (silver and gold) mineralization. The Company also owns the Imperial Project comprising two contiguous claim blocks (6,576 hectares) prospective for gold and VMS (volcanogenic massive sulphide) mineralization and covers 4.7 kilometres of the northern border with Amex Exploration's Perron property in Quebec, where high-grade gold has been intersected in three zones along a 3.2 km corridor.

*ON BEHALF OF THE BOARD*

*"Mike England"*

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