



SKY GOLD READIES FIELD CREWS FOR EXPLORATION PROGRAMS IN CENTRAL NEWFOUNDLAND CONTIGUOUS TO NEW FOUND GOLD'S QUEENSWAY GOLD PROJECT

Vancouver, British Columbia - July 8, 2020 - Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company") announces that field exploration crews have been contracted to commence surface exploration activities on the newly expanded Mustang property and Virginia property, contiguous to the south-western and north-eastern portions respectively of the Queensway Gold Project owned by New Found Gold Corp. The enlarged Mustang Expansion property comprises 1,875 ha and government issued work permits are expected shortly with local Gander-based crews ready to mobilize. Initial work, leading up to an inaugural drill program expected to commence later this summer, will include prospecting, geological mapping, rock outcrop and subcrop sampling, and hand trenching.

The eastern portion of the Mustang property hosts the well-documented Outflow prospect discovered by Noranda Exploration Company Ltd., later drilled by Altius Resources (with Barrick Gold) in the late 1990's and early 2000's, and investigated by a Newfoundland government geologist (C.G. Squires, 2005) and a 2006 Master Thesis (J.M. O'Driscoll). Highest gold values, up to 28 grams per tonne gold (g/t Au) over 0.8 metres, occur in dark grey hydrobreccia units associated with elevated arsenopyrite concentrations. Select diamond drill assay results from Noranda's drill program include 1.27 g/t Au over 11.3 m, 0.67 g/t Au over 18.3 m and 0.92 g/t Au over 9.0 m.*

**Gold values on adjacent properties in similar rocks and assays based on historical work are not representative of mineralization on the property, have not been verified and should not be relied upon.*

The Outflow prospect comprises the Mustang and Piper mineralized zones. Squires reports: *"The silicified zones trend for at least 3 km to the northeast, locally in association with fault zones, and consist of chalcedonic silica in association with comb-textured and crustiform quartz and hydrothermal breccia. Disseminated pyrite is associated with some of the higher-grade samples, and needles of possible stibnite have been noted....the vein textures are reminiscent of low-sulphidation epithermal mineralization...."* The geologic textures and style of brecciation, and associated minerals including arsenic, antimony, mercury, and barite, are interpreted to be similar to the geologic model proposed for the Keats Zone on the New Found Gold Queensway property.

Other targets on the Mustang property include the Road Breccia, Barite, Jasperoid and Gervase's Lane showings. Discovered by prospecting in 2003, the Jasperoid showing has geological similarities to silicified semi-calcareous rocks from the Carlin district of Nevada. Squires reports: *"The Jasperoid showing is exposed as a 1.5 wide by 5 m long, southwest-trending zone of silicification... Immediately adjacent to the Jasperoid showing is a set of quartz veins that have east-west trends perpendicular to stratigraphy. These veins have distinctive epithermal textures in*

the form of banded coliform quartz and bladed quartz pseudomorphs that have likely replaced calcite or barite. Alteration at this latter location was evidently controlled by a discordant fault or joint that strikes toward the Mustang showing."

The Company also wishes to announce that they have recently applied for surface exploration permits on the Virginia property, located contiguous with the north-eastern portion of New Found Gold's Queensway Gold Project and Labrador Gold Corp.'s newly acquired Gander South project. Proposed work includes prospecting, geological mapping, rock outcrop and subcrop sampling, till sampling and soil geochemistry. Crews will investigate the "Virginia Holdings" prospect, comprising quartz veining developed over a 35 m wide zone within sheared gabbro and graphitic shale (main shear). Grab samples collected from the main shear reportedly assayed up to 9.0 g/t gold and up to 109.6 g/t Au from the sheared gabbro (Manor Resources Inc., press release, 1992).*

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CEO Mike England states: "We are looking forward to receiving our work permit to commence field work on the Mustang property shortly, with local crews based in Gander. Interest is high in this active, emerging gold district led by New Found Gold - an aggressive surface exploration program on the Mustang property will define priority targets that can be drilled later this summer."

All Company activities are conducted under guidelines and policies compliant with federal and provincial health and safety protocols related to the COVID-19 pandemic.

Qualified Person

Catherine Fitzgerald, P.Geo., a Qualified Person under National Instrument 43-101, 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.

ON BEHALF OF THE BOARD

"Mike England"

Mike England, CEO & DIRECTOR

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