



SKY GOLD CLOSSES FINANCING INCLUDING STRATEGIC INVESTMENT BY ERIC SPROTT

Vancouver, British Columbia - July 23rd, 2020 - Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company") is pleased to announce that further to its press releases dated July 10 and July 13, 2020, the Company has closed the non-brokered private placement. The Company issued 20,000,000 units (the "Units") at a price of \$0.10 per Unit for aggregate gross proceeds of \$2,000,000. Each Unit will be comprised of one common share ("Share") and one half of one transferable common share purchase warrant of the Company ("Warrant"). Each whole Warrant will entitle the Subscriber to purchase one Warrant Share for a 24-month period after the Closing Date at an exercise price of \$0.15 per share. The warrants issued with the units sold will be subject to an acceleration provision. After four months have elapsed from closing, if Sky's shares trade above \$0.35 for 10 consecutive trading days, the Company has the option to provide notice to the warrant holders that their warrants will expire if they are not exercised within 30 days.

Eric Sprott, through 2176423 Ontario Ltd., a corporation that is beneficially owned by him, acquired 10.5 million units pursuant to the private placement. As a result, Mr. Sprott beneficially owns and controls 10.5 million shares of the company and 5.25 million warrants, representing approximately 18.5 per cent of the issued and outstanding common shares on a non-diluted basis.

The units were acquired by Mr. Sprott through 2176423 Ontario Ltd. for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire or sell additional securities of the company, including on the open market or through private transactions, in the future depending on market conditions, reformulation of plans and/or other relevant factors.

Proceeds raised will be used for advancing the Company's Newfoundland properties as well as for general working capital.

Finders' fees of \$61,920 were paid to arm's length parties.

The Private Placement is subject to TSX Venture Exchange final approval.

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, USA, 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

FOR FURTHER INFORMATION PLEASE CONTACT US:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FORWARD LOOKING STATEMENTS: This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Investors are cautioned that these forward-looking statements are neither promises nor guarantees and are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. All forward-looking statements made in this press release are qualified by these cautionary statements and by those made in our filings with SEDAR in Canada (available at WWW.SEDAR.COM).