



SKY GOLD INITIATES FIELD WORK ON CENTRAL NEWFOUNDLAND PROPERTIES CONTIGUOUS TO NEW FOUND GOLD'S QUEENSWAY GOLD PROJECT

Vancouver, British Columbia - August 11, 2020 - Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Cop." or the "Company") is pleased to announce the start of field activities on the **"Mustang Property"** and the **"Virginia Property"**, contiguous to the north-eastern portion of the Queensway Gold Project, owned by New Found Gold Corp. ("New Found Gold"). Government issued work permits for surface exploration have been received on both properties.

The Company is also pleased to have engaged Grassroots Prospecting ("Grassroots"), a local, Newfoundland-based, prospector-driven organization, to assist with the exploration and logistics of field activities on our Newfoundland properties. Grassroots is very experienced and knowledgeable on the geology, mineral showings and exploration history of the Mustang Project and have led the permitting process for exploration and directed towards a fall drill program.

Exploration activity will include prospecting, geological mapping, rock outcrop and subcrop sampling, soil geochemistry and hand trenching. The eastern portion of the Mustang Property hosts the well documented Outflow prospect discovered by Noranda Exploration Company Ltd., drilled by Altius Resources (with Barrick Gold) in the late 1990's and early 2000's, and investigated by the 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 high arsenopyrite concentrations. Selected 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 the 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 Kingsway 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,"*.

President Mike England states: "Working with Grassroots Prospecting, we are looking forward to initiating our exploration programs on the Mustang and Virginia properties in this emerging gold district, led by New Found Gold. Drill permitting is underway on multiple targets for later this fall."

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

The Company further announces it has granted a total of up to 600,000 stock options to directors and consultants of the company exercisable at a price of \$0.20 per share for a period of two year from the date of grant. The options have been granted in accordance with the company's stock option plan.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

Telephone: 1-604-683-3995

Toll Free: 1-888-945-770

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 of the 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).