



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

Vancouver, British Columbia - September 3, 2020 - Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company") is pleased to report an update of current field activities on its **Mustang** and **Virginia** properties, contiguous to the north-eastern portion of the Queensway Gold Project, owned by New Found Gold Corp. (TSX-V: NFG) ("New Found Gold").

Virginia Property

The Virginia property comprises 100 hectares and is located 3.3 kilometres north-east of the village of Glenwood, which is situated on the Trans-Canada Highway. The property is approximately 5.7 kilometres northeast of New Found Gold's drill hole (NFGC-19-01) which intersected 92.86 grams per tonne gold (g/t Au) over 19 metres (see Mexican Gold Corp. press release dated Jan. 26, 2020)*.

Planet X Exploration Services Ltd.'s field crews, retained through Grassroots Prospecting ("Grassroots"), a local, Newfoundland-based prospect generation company, have prospected and sampled the property, and have located and mapped the old trenches from the 1990s, which are badly overgrown. Additional hand stripping and trenching is ongoing to better expose a large (rusty oxidized gabbro shear zone recently observed in the field) mineralized zone or trend observed sporadically where bedrock outcrop for over 80 meters, to obtain samples from outcrop and subcrop in the excavated trenches.

Results to date support the work completed in the early 1990's by Manor Resources Ltd. ("Manor") and documented in Assessment File NFLD_2244, which reports two areas of mineralization ("A2 Zone") that have not been drilled. The areas consist of a first showing comprised of quartz veining developed over a 35 metre wide zone within sheared gabbro and graphitic shale (main shear) returning up to 8.7 g/t Au, and a second showing comprised of a sheared gabbro returning a grab sample up to 109.6 g/t Au*. The Company is focused on confirming and extending these known mineral showings.

**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.*

Mustang Property

Grassroots crews have mobilized to the Mustang property to begin a program consisting of prospecting, geological

mapping, rock outcrop and subcrop sampling, soil geochemistry and hand trenching. The program is focused on identifying drill targets for this fall. The Permit for Development was received from the Newfoundland government on August 18, 2020 and the only remaining requirement for diamond drilling operations is a water use permit and amended exploration approvals which are expected by mid-September 2020.

CEO & Director Mike England states: "We are pleased with the progress made by Grassroots on the Virginia property and are looking forward to results from both properties as we refine our drill targets for a fall program in this exciting, emerging gold district led by New Found Gold."

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 would also like to announce that it has amended the terms of the purchase agreement related to the Evening Star Property in Mineral County, Nevada dated Nov. 23, 2016. With a final payment of US \$50,000 and the issuance of 600,000 shares, payable immediately to Multiple Metal Resources Ltd., the Company will have fulfilled its earn-in obligations and will own an 80% interest in the Evening Star Property.

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. The Company is now positioned in Newfoundland with the Mustang Gold project and in Nevada with the Evening Star polymetallic property.

ON BEHALF OF THE BOARD

"Mike England"

Mike England, CEO & DIRECTOR

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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).