



SKY GOLD RECEIVES DRILL PERMITS AND PREPARES FOR DRILLING ON MUSTANG AND VIRGINIA PROPERTIES CONTIGUOUS TO NEW FOUND GOLD'S QUEENSWAY GOLD PROJECT

Vancouver, British Columbia - November 5, 2020 - Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company") is pleased to announce all permits have now been received to allow the Company to commence drilling on the **"Mustang Property"** and the **"Virginia Property"**, both contiguous to the Queensway Gold Project, owned by New Found Gold Corp. ("New Found Gold"). Drilling is expected to commence within the coming two weeks.

Activities to date and ongoing include:

- The confirmation and rehabilitation of historic trenches on the Mustang zone, where sampling by Noranda Exploration Ltd. (1987-1989) returned up to 28 grams per tonne gold (g/t Au) over 0.8 meters, 10.2 g/t Au over 0.75 meters, and 5.2 g/t Au over 1.0 m (Assessment NFGC 002D_0189). To date, prospecting, geological mapping and selective surface sampling has been completed by the Company.
- Prospecting, geological mapping and a detailed soil geochemistry survey have been completed over the area northeast of the Road, Jasperoid, and Barite showings on the western portion of the Mustang property. This area is marked by an interpreted flexure, from north-east to east-west, in the geological units and the Dog Bay Line (DBL) structure. The DBL is a major interpreted suture formed at the closing of the Iapetus Ocean and can be found on both sides of the Atlantic Ocean with several major gold deposits associated with it, including the Currageinall Deposit (Ireland), Valentine Lake Deposit (Newfoundland), and the Haile Deposit (North Carolina).
- Preparation is progressing well for the Company's maiden diamond drill program of 3,000 meters on the Mustang and Virginia properties. The final permits allowing for timber cutting have been received on both properties and the excavator is mobilizing for drill pad preparation later this week. The drill contractor, Cabo Drilling (Pacific) Corp., based in Springdale, Newfoundland, will be mobilizing equipment to the site next week with plans for drilling to commence about mid-November.
- Drilling to date has tested a limited vertical component zone of the strong epithermal system on the Mustang zone. The silicified zones extend for at least 3 kilometres to the northeast of the historic trenched and drilled area, locally in association with fault zones, and consist of chalcedonic silica, comb-textured and crustiform quartz and hydrothermal breccia. The Company feels there is excellent potential to discovery "bonanza" gold grades within the vertical profile of the epithermal system and along the 3 km strike length and in parallel zones.

"Our field crews have made excellent progress exploring and sampling the Mustang and Virginia properties, with multiple drill targets now proposed and prepared, with drilling to commence by mid-November. The Gander area of Newfoundland remains one of the hottest exploration areas in Canada led by New Found Gold with an active 100,000-metre diamond drill program at its 100-per-cent-owned Queensway." stated Mike England, CEO and President of Sky Gold.

All of the Company's field activities are conducted with prescribed Federal and Provincial COVID-19 operating protocols and safety measures as required.

SKY GOLD'S NEWFOUNDLAND PROJECTS

Virginia property

The Virginia property comprises 100 hectares and is approximately 5.7 kilometres northeast of New Found Gold's drill hole NFGC-19-01 which intersected 92.86 g/t Au over 19 metres (see Mexican Gold Corp. press release dated Jan. 26, 2020). Historic results completed in the early 1990s by Manor Resources Ltd., and documented in assessment file NFLD_2244, reports two areas of mineralization (Zone A-2). One showing comprised 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. A second showing comprised a sheared gabbro that returned a grab sample up to 109.6 g/t Au. The Virginia property was drilled by Manor in 1991, with a series of short holes on geophysical targets, before the mineralization in the A-2 trench was defined in 1992, and the gold showing area has not been drilled. The Company is focused on confirming and extending these known mineral showings.

Mustang property

The Mustang property comprises 1,550 hectares and is contiguous to New Found Gold's Queensway project and approximately five kilometres southwest of their discovery hole. The northern part of the Mustang property is only 2.5 kilometres south of the village of Glenwood, with abandoned logging road accessing the area. The property hosts numerous gold prospects, including the Mustang and Piper zones, on trend with New Found Gold Corp's current drill program, and the Breccia, Jasperoid, and Barite showings on the western portion of the property.

Gold mineralization was discovered at the Mustang zone in 1987 by Noranda Exploration Company Ltd., which completed geologic mapping, trenching and shallow (average 84 metres) diamond drilling (12 holes totaling 1,007.6 metres). In late 2001, Altius Minerals Corp. held the current claim area, with the Mustang zone anchoring a major northeast-southwest structural feature of prospective geology covered by a large property project known as the Mustang trend. Altius optioned the property to Barrick Gold Corp. which undertook reconnaissance exploration in 2002, which resulted in the discovery of several new gold showings on the western portion of the property, including the Road Breccia, Barite, and Jasperoid showings.

Highest surface gold values from the Mustang zone include up to 28 g/t Au over 0.8 metres, occurring in dark grey hydrobreccia units associated with elevated arsenopyrite concentrations. Selected diamond drill assay results from Noranda's drill program include 1.27 g/t Au over 11.3 metres, 0.67 g/t Au over 18.3 metres and 0.92 g/t Au over 9.0 metres. The Company is focused on confirming and extending these known mineral showings with the proposed diamond drill program.

Gold values on adjacent properties in similar rocks, and assays based on historical work in surface sampling and drilling, are not representative of the mineralization on the property, and have not been verified and should not be



relied upon.

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 kilometres 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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