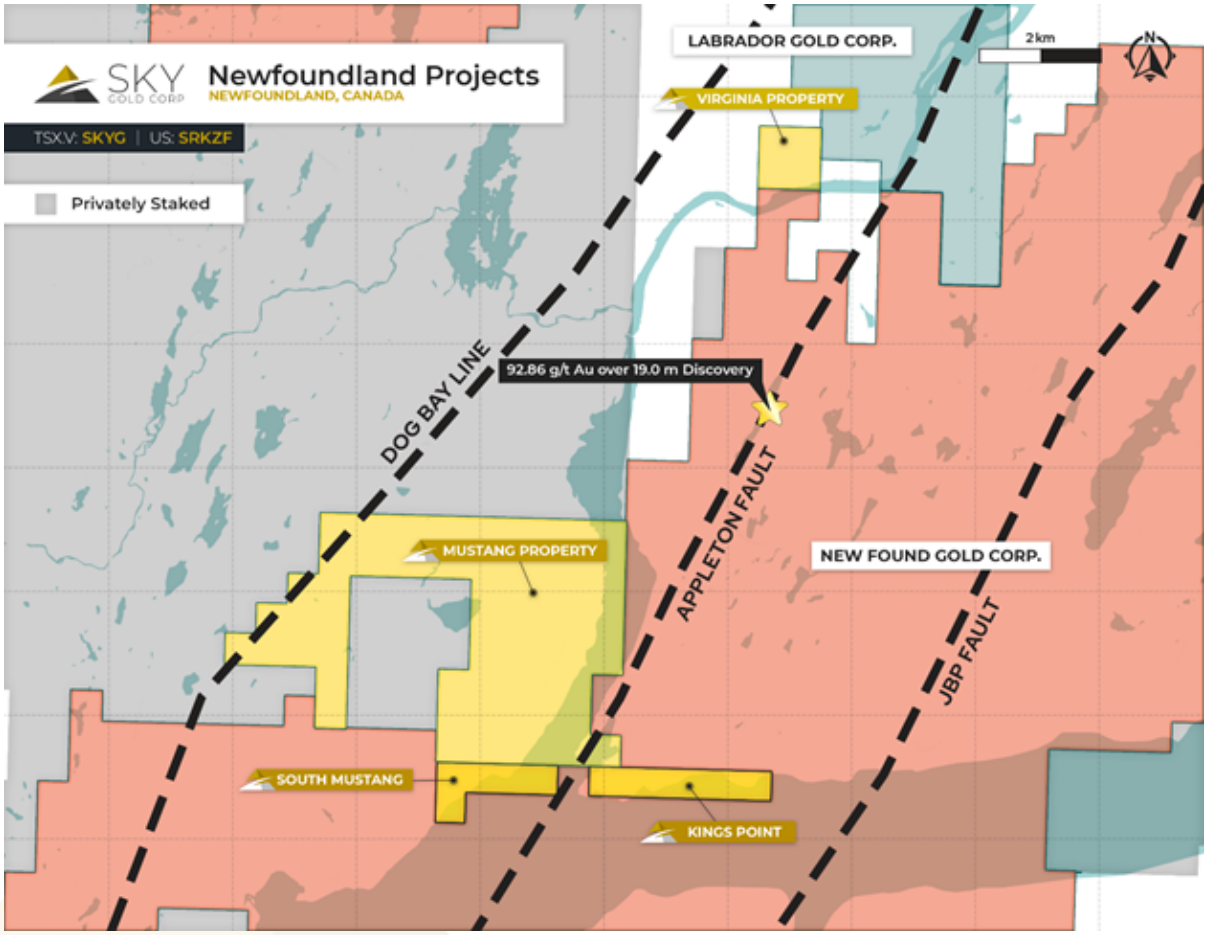
SKY EXPANDS THE MUSTANG PROPERTY CONTIGUOUS TO NEW FOUND GOLD'S QUEENSWAY GOLD PROJECT

Vancouver, British Columbia – November 10, 2020 – Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF)("Sky Gold Corp." or the "Company") is pleased to announce the acquisition of two properties, expanding the Company's "**Mustang Property**" contiguous to the Queensway Gold Project owned by New Found Gold Corp. ("New Found Gold").

Properties acquired:

- Kings Point Extension – This property comprises one 150-hectare claim located over the Kings Point topographic feature on the Gander Outflow strait, south of and contiguous to the Mustang property. The property extends for 3.0 km along the border with New Found Gold in an east-west direction between the Appleton and JBP fault zones. New Found Gold has identified gold mineralization along and near the NNE-SSW trending Appleton Fault for over 5 km on trend and north-east of the Kings Point Extension claims.
- South Mustang Extension – This property comprises three claims totaling 125 hectares, located contiguous and south of the Company's current Mustang property. A mineral showing designated the "SW Mustang zone" is located approximately 500 meters southwest of the boundary with the Mustang property, and has been mapped, sampled, trenched and drilled by Noranda Exploration Ltd (1988) and Altius Resources Inc. (1998). Noranda trench channel samples returned 1.11 g/t Au over 1.0 m and 0.57 g/t Au over 5.2 m. Drill hole GO-88-05 returned 9.55 g/t Au over 0.5 m (@ 50.8 m), 0.54 g/t Au over 1.0 m (@ 67.0 m), and 2.14 g/t Au over 2.6 m (@ 79.7 m). Altius grab samples in 1998 returned 1.72, 1.08, 0.78, and 0.29 g/t Au, and drill hole GO-98-05 returned 0.46 g/t Au over 11.9 m (@ 30 m), with a higher grade interval of 1.26 g/t Au over 1.9 m. In 2016, a single float rock sample taken by the owner (Report 002D/15/0941) approximately 1 kilometer south of the main Mustang zone returned 6.13 g/t Au with anomalous arsenic and antimony. The Company is initiating a drill program on the Mustang and Piper Zones in mid-November, on trend and north-east of the South Mustang Extension claims.



To earn a 100-per-cent interest in the property (comprising two claims groups) from two arm's-length parties, the company will make cash payments of $65,000, and issue 1.2 million common shares over a period of two years, and grant the underlying vendors a 2-per-cent net smelter royalty (NSR), 50 per cent of which is purchasable by Sky Gold for $1 million at any time.

"The acquisition of these two new claims groups strategically adds to our Mustang property and covers multiple on-trend targets. With drilling starting shortly we are looking forward to being an active participant in the heart of this emerging gold district led by New Found Gold on their Queensway Project." stated Mike England, CEO and President of Sky Gold.

All of the Company's field activities are conducted in conjunction with 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 km northeast of New Found Gold's drill hole NFGC-19-01 which intersected 92.86 g.t Au over 19 m (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, which 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, and a second showing comprised a sheared gabbro returned a grab sample up to 109.6 g/t Au. The company is focused

on confirming and extending these known mineral showings.

Mustang Property

The Mustang property now comprises 1,825 hectares and is contiguous to New Found Gold's Queensway project and approximately 5 km southwest of their discovery hole. The Mustang 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, Jasperiod, 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 m) diamond drilling (12 holes totaling 1,007.6 m). Altius Resource Inc. completed diamond drilling over the Mustang zone in 1998 (10 holes, 1,197.6 m).In late 2001, Altius 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 m, occur in dark grey hydrobreccia units, associated with higher 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. 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 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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