



SKY GOLD ASSAYS UP TO 7.7 G/T GOLD OVER 0.5 METERS PLUS SEPARATE INTERVAL OF 32.85 METERS OF .78 G/T GOLD FROM HOLE 14 AT MUSTANG PROJECT, NEWFOUNDLAND

Vancouver, British Columbia - March 8, 2021 - Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company") reports assays rushed from an interval that contained visible gold at Mustang has averaged **7.77 Au g/t over 0.5 meters** in hole MT-21-14 with the remaining assays pending from intervals directly above this sample that were not rush assayed. Portions of hole MT-21-14 were rush assayed, based on encouraging visual core characteristics including epithermal hydrobreccia, veining, silicification, sulphides (arsenopyrite, pyrite), and visible gold noted at 66.32 meters. Hole MT-21-14 and four other holes are located on the North Mustang Target which is located contiguous to the Queensway Gold Project, owned by New Found Gold Corp. ("New Found") and just 3,600 meters from New Found's current drill program at the Knob Zone (Figure 1).

Additionally, an intercept of a wide zone of gold mineralization was encountered in diamond drill hole MT-21-14 which spanned over **32.85 meters (core length) averaging 0.78 grams per tonne gold (Au g/t)**, which included several higher grade sections including **3.80 Au g/t over 1.5 meters**, on the Company's Mustang Property

Company President and CEO Mike England commented "We are very pleased to report these initial drill results from our maiden drill program on the Mustang Zone. The width of the mineralized gold zone in hole MT-21-14 is significant and impressive at shallow depth. The Company eagerly awaits further assays from our 20 hole drill program and are planning a Phase 2 program to start in early summer, designed to follow-up targets on the Mustang Zone and also the other targets on the western portion of the Property."

The Company has completed its Phase 1 drill program on the Mustang property. A total of twenty (20) holes were completed comprising 3,330 meters (Figure 2). The majority of assays are pending. The entire drill program was focused on the Mustang Zone in three areas along a 1.2 kilometer strike length. Complete assays for holes MT-20-01 and MT-20-02 are also received with significant intercepts reported in the Highlights Table.

Hole MT-20-01 and MT-20-02 are located at the southern portion of the interpreted Mustang Zone (Figure 3), and hole MT-21-14 is located at the north-eastern portion of the Mustang Zone (Figure 4). MT-21-14 was designed to test anomalous gold values previously reported (Press Release January 21, 2021), where surface rock sampling (16 samples) on the Piper North zone averaged 1.31 g/t Au, and six samples on the Mustang North zone averaged 3.58 g/t Au, with a range from 0.84 g/t Au to 10.30 g/t Au. The widespread gold mineralization indicated in the surface rock sampling has been confirmed in hole MT-21-14 and was further investigated with four (4) additional drill holes (MT-21-15 to MT-21-19) with assays pending. Permitting is underway for the southeastern extension of the Mustang

Zone on claims acquired last fall (PR November 10, 2020).

HIGHLIGHT GOLD INTERCEPTS						
Hole #	Hole #_Comment	From (m)	To (m)	Width (m)	Au g/t	Ag ppm
MT-21-14		11.47	15.00	3.53	0.31	0.3
	wide low grade zone	15.00	47.85	32.85	0.78	0.5
	including	15.00	20.13	5.13	0.58	0.7
	including	20.13	26.42	6.29	0.85	0.4
	including	26.42	32.77	6.35	0.23	0.2
	including	32.77	35.42	2.65	1.24	0.6
	including	36.42	37.92	1.50	3.80	0.6
	combined	32.77	37.92	5.15	1.83	0.7
MT-21-14	including	37.92	47.85	9.93	0.64	0.5
MT-21-14	narrow high grade	66.04	66.54	0.50	7.77	0.4
MT-21-14	narrow intercept	122.22	122.72	0.50	1.207	0.3
MT-20-01	gold zone	11.35	16.00	4.65	0.77	0.9
	gold zone	30.00	37.36	7.36	0.64	0.6
	including	30.00	30.50	0.50	1.04	0.5
	including	30.00	32.00	2.00	0.84	0.5
	including	35.50	37.36	5.36	0.57	0.6
	narrow intercept	65.00	65.50	0.50	1.16	<0.2
	narrow intercept	68.50	69.00	0.50	1.47	0.50
	wide gold zone	80.18	100.50	20.32	0.58	0.4
	including	80.18	81.68	1.50	0.83	0.2
	including	81.68	86.18	4.50	0.45	0.3
	including	86.18	88.18	2.00	1.31	0.3
	including	88.18	99.00	10.82	0.34	0.4
MT-20-01	including	99.00	100.50	1.50	1.57	0.5
MT-20-02	anomalous gold zone	154.13	159.00	4.87	0.14	0.13

All of the Company's field activities are conducted under Federal and Provincial COVID-19 operating protocols and safety measures as required. Planet X Exploration Services Ltd.'s field crews, retained through Grassroots Prospecting, a local, Newfoundland-based prospect generation company, are undertaking all field and drill activities on the Company's Newfoundland properties.

Figure 1: Location of the Mustang Property and area of current drilling.

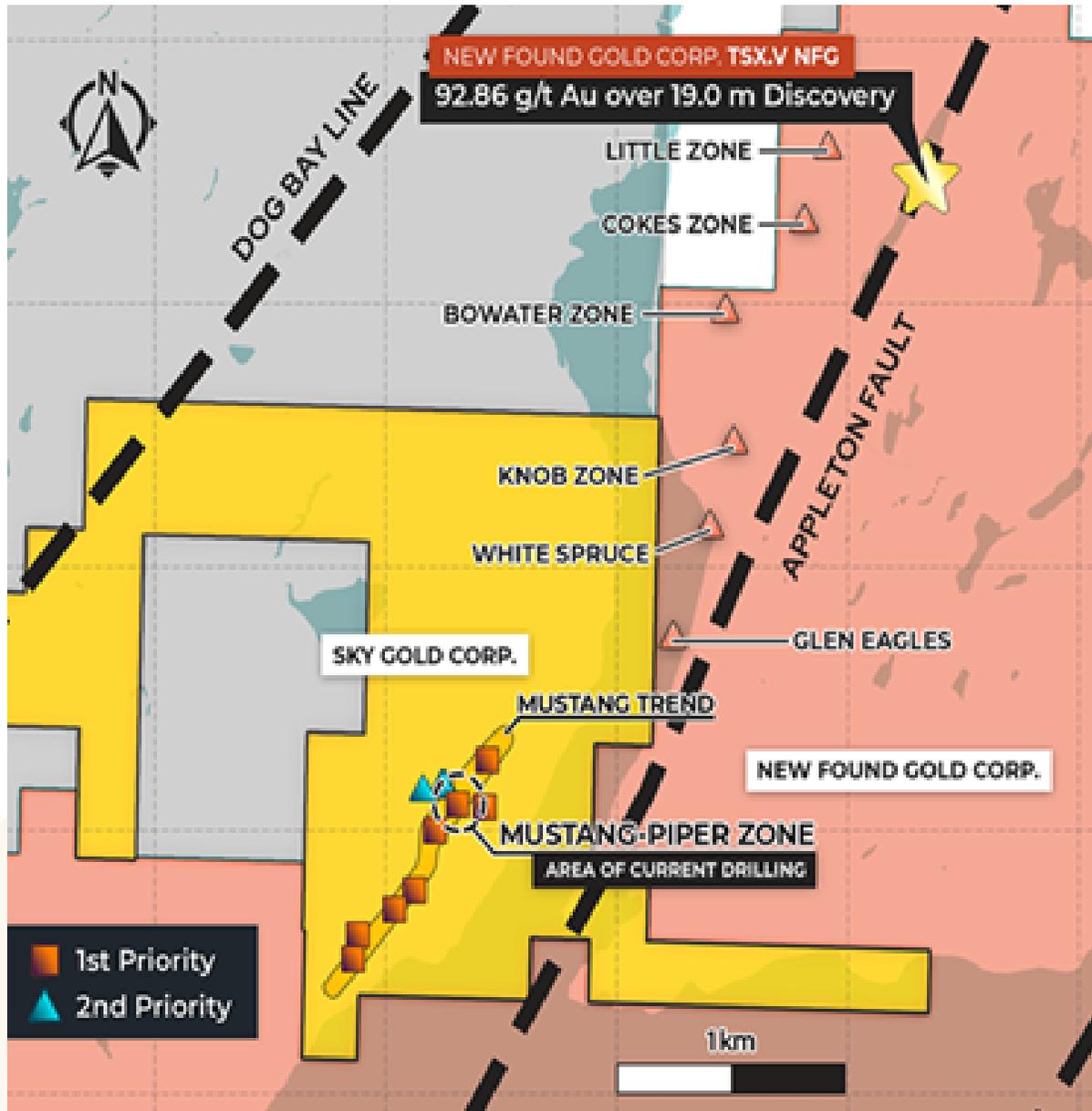


Figure 2: Location of drill holes completed on the Mustang Property in 2020-2021.

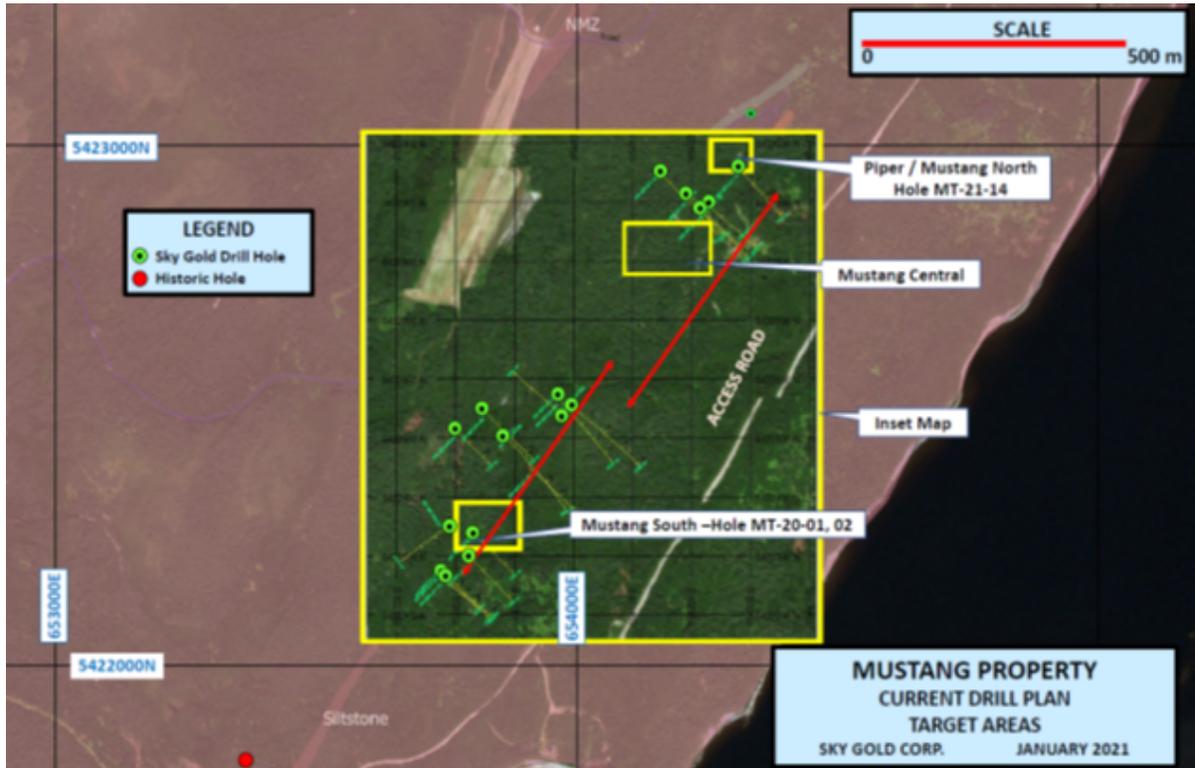
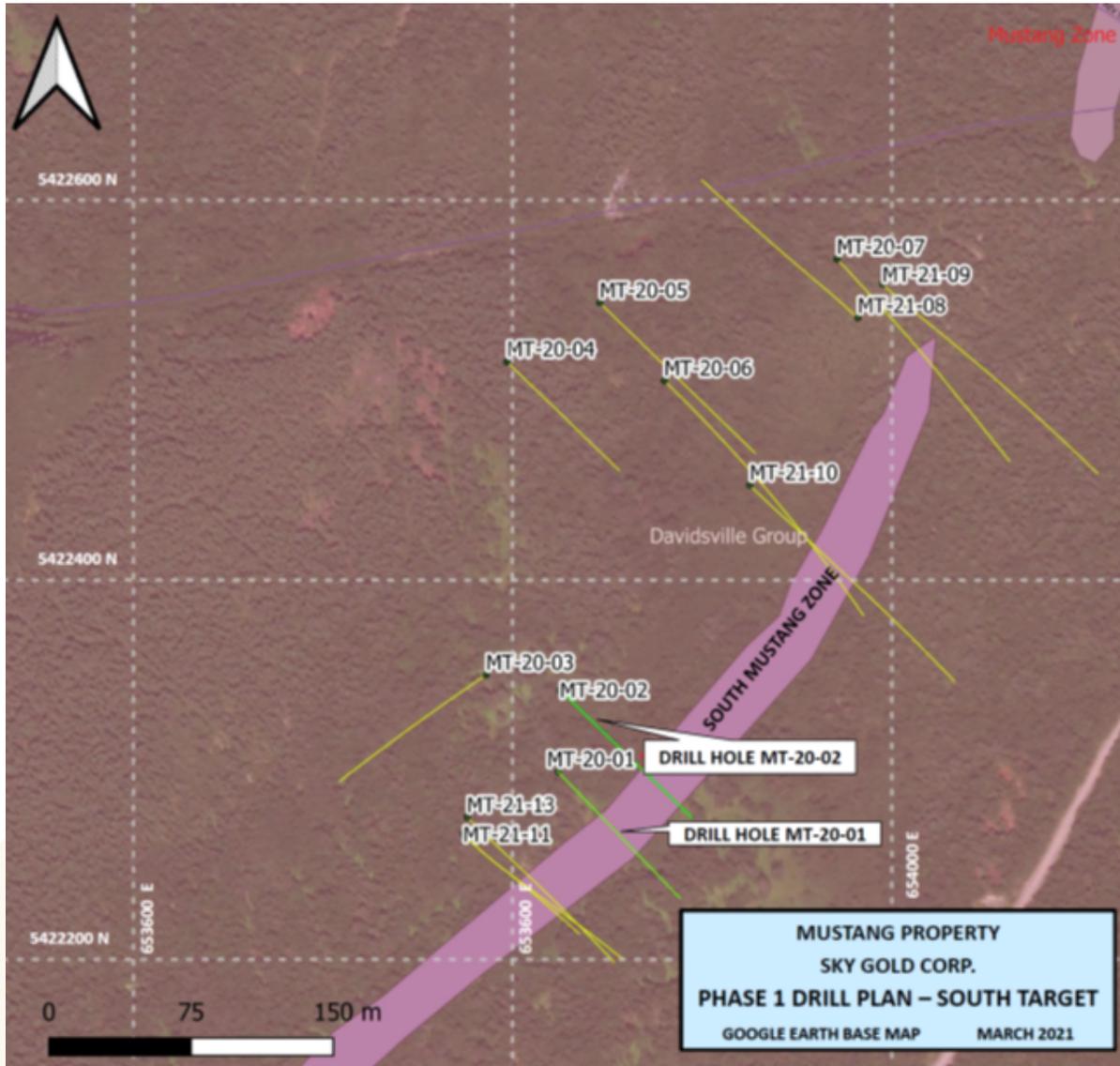
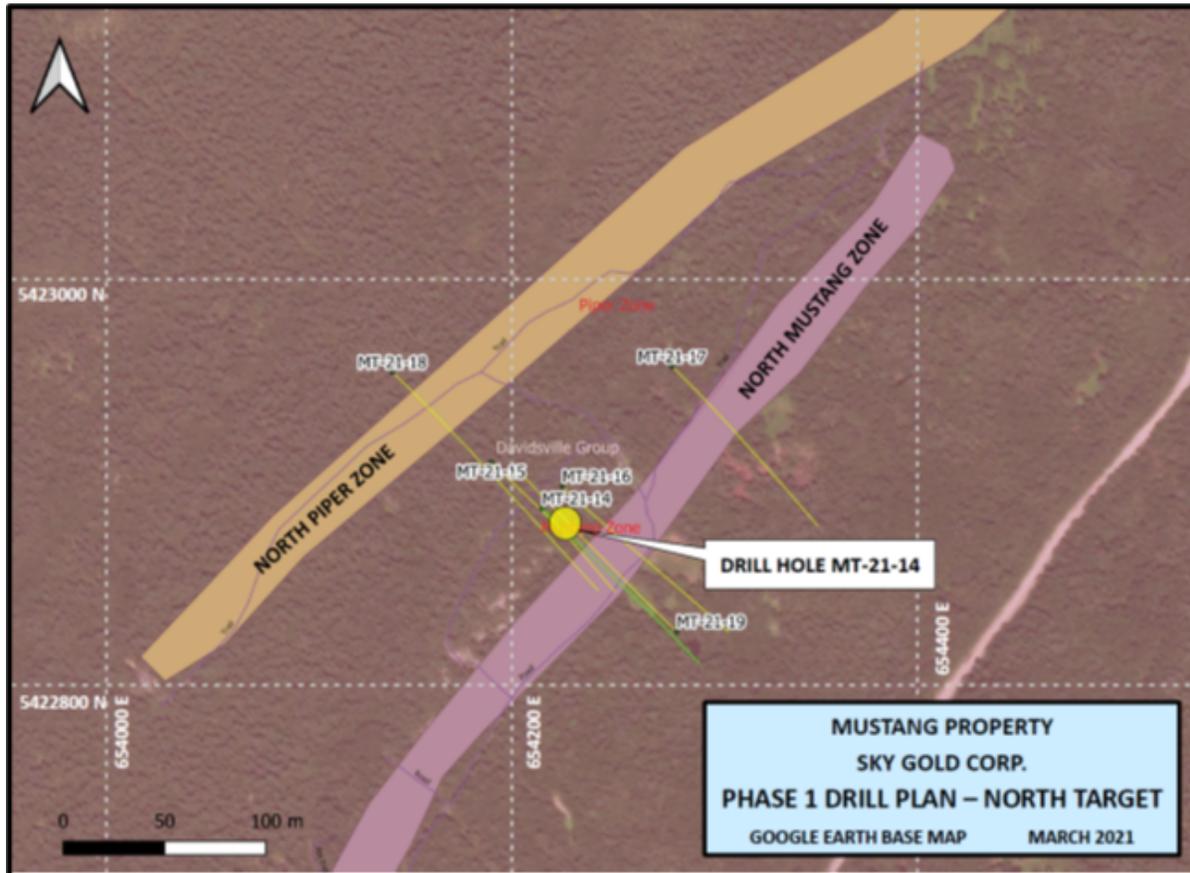


Figure 3: Location of drill holes MT-20-01 and MT-20-02 on the Mustang South Zone.



All core samples were secured delivered to Eastern Analytical Laboratory in Springdale, Newfoundland, for analysis, an ISO/IEC17025 accredited laboratory. QA/QC included the systematic insertion of certified standards and blanks. Core samples were analyzed for the ICP-34 package (34 element 4 acid leach, ICP-OES finish) and the Fire Assay (30g) with AA finish. Eastern Analytical also provides its own internal QA/QC protocol of blanks, duplicates and standards in each work order, which is supplied to the Company.

Figure 4: Location of drill hole MT-20-14 on the Mustang North Zone.



SKY GOLD'S NEWFOUNDLAND PROJECTS

Virginia Property

The Virginia property comprises 100 hectares and is approximately 5.7 kilometers northeast of New Found Gold's drill hole NFGC-19-01 which intersected 92.86 Au g/t over 19 meters (see New Found Gold Corp. press release dated August 12, 2020). Historic results completed in the early 1990s by Manor Resources Ltd., 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 Au g/t, and a second showing comprised a sheared gabbro returned a grab sample up to 109.6 Au g/t*.

Mustang Property

The recently expanded Mustang property comprises 1,625 hectares and is contiguous to New Found Gold's Queensway project and approximately five kilometers 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 Road 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., who completed geologic mapping, trenching and shallow (average 84 meters) diamond drilling (12 holes totaling 1,007.6 meters). Altius Resources Inc. ("Altius") completed diamond drilling over the Mustang zone in 1998 (10 holes, 1,197.6 meters). 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 larger property project known as the Mustang trend. Altius optioned the property to Barrick Gold Corp. who undertook reconnaissance exploration in

2002, resulting 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 Au g/t over 0.8 meters, occur in dark grey hydrobreccia units, associated with higher arsenopyrite concentrations*. Selected diamond drill assay results from Noranda's drill program include 1.27 Au g/t over 11.3 meters, 0.67 Au g/t over 18.3 meters and 0.92 Au g/t over 9.0 meters*. 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, and Independent Director of Sky Gold, 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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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).

