




SKY GOLD EXPANDS MUSTANG PROPERTY IN CENTRAL NEWFOUNDLAND CONTIGUOUS TO NEW FOUND GOLD'S QUEENSWAY GOLD PROJECT

Vancouver, British Columbia – May 7, 2020 – Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company") is pleased to announce the expansion of the "Mustang Property", in Central Newfoundland, contiguous to the north-eastern portion of the Queensway Gold Project, owned by New Found Gold Corp. ("New Found Gold"). The "Mustang Expansion" Property comprises 57 claims over 1,425 ha and connect the eastern and western Mustang block, which hosts known mineral occurrences.

The newly acquired claims represent more than a 300% increase in land holdings for a total of 1,875 ha for the property (see Figure 1). The Mustang Expansion extends across the Gander Lake outflow to the eastern shore contiguous to New Found Gold's Queensway Project and covers a portion of their interpreted Appleton Fault Zone.

 +1 604-683 3995
 +1 604-683-3988
 info@skygoldcorp.com
 skygoldcorp.com

Corporate Office
1240-789 W Pender St.
Vancouver, BC, Canada
V6C 1H2

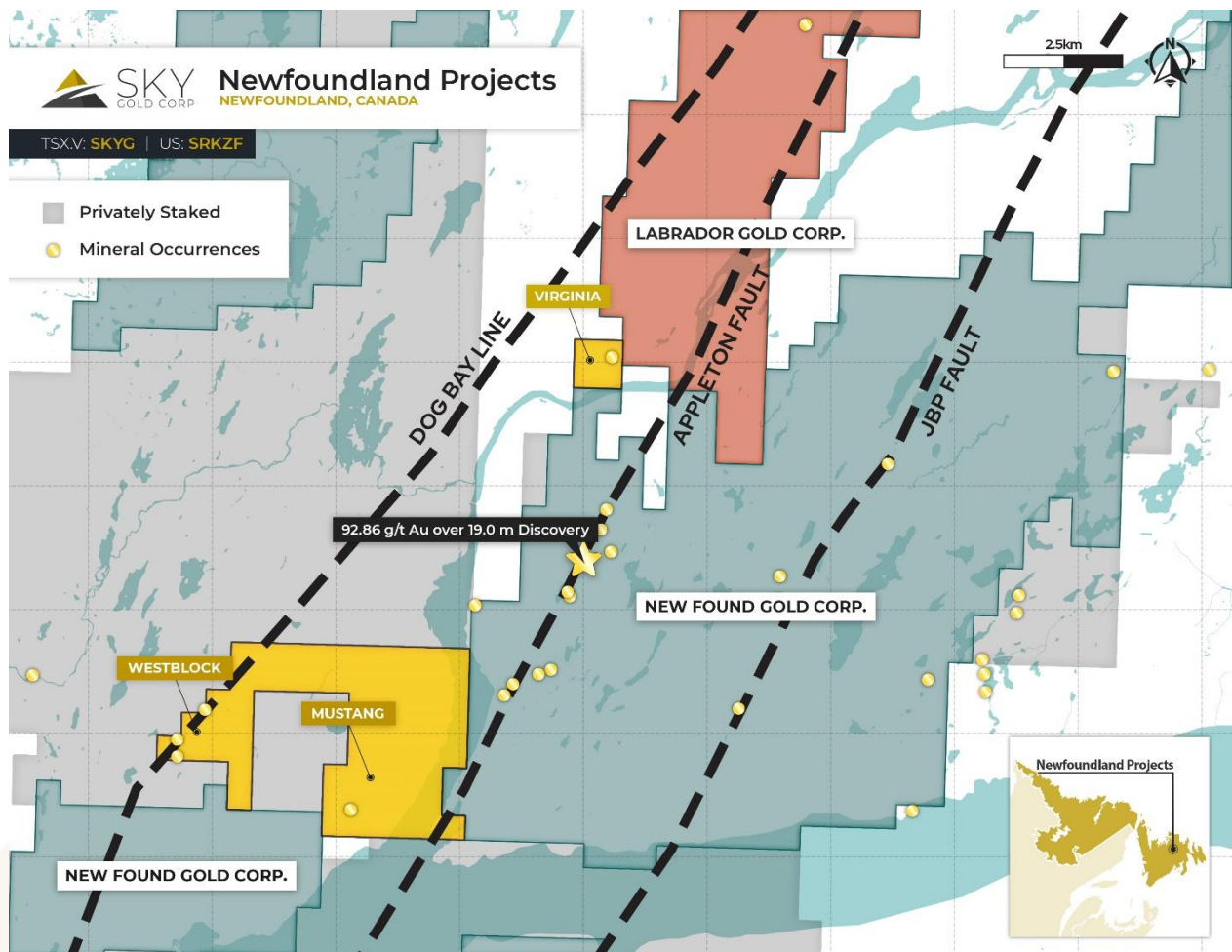


Figure 1. – Location map of Sky Gold Corp.'s Newfoundland Projects

As previously reported (see press release dated January 31, 2020) Sky Gold had acquired the Mustang property, comprising two non-contiguous blocks of claims. The eastern claim block hosting the Outflow prospect, comprising the Mustang and Piper mineralized zones. The eastern claim block is contiguous to New Found Gold's Queensway gold project to the south. The western claim block is located approximately 2.2 kilometres west-northwest of the eastern claims. With the Mustang Expansion, the two blocks are now part of the larger property. The northern part of the current Mustang Property is only 2.5 kilometers south of the village of Glenwood, with abandoned logging road accessing the area. Glenwood is located on the Trans-Canada Highway 25 kilometres west of an international airport in Gander.

Gold mineralization was discovered at the Outflow prospect 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, including the Road Breccia, Barite, Jasperoid and Gervase's Lane showings. Exploration on the property was curtailed in late July 2003, when Barrick terminated its option.

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 higher 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.*

**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.*

Two geologic models have been proposed for the gold mineralization at the Mustang prospect. A low sulphidation epithermal model is proposed, based on the silicified zones, locally in association with fault zones, and consist of chalcedonic silica in association with comb-textured and crustiform quartz and hydrothermal breccia. However, Altius Minerals Corp. considered the Mustang prospect as a possible example of Carlin-style mineralization (Altius Minerals press release dated Aug. 21, 2003), supported by typical enriched trace-element assemblages (As, Sb, Tl, Hg and Ba) of Carlin deposits, and barite veins, breccia matrix and stockwork hosted by calcareous sedimentary rocks.

President Mike England states: "With the expansion of the Mustang property, we considerably increase the prospectivity and potential of the project, in an active, emerging gold district, led by the recent success of New Found Gold. The company is currently reviewing assessment reports on the expanded property, with an aggressive Phase 1 exploration planned for the summer, subject to provincial health and safety protocols related to the COVID-19 pandemic."

To earn a 100-per-cent interest in the Mustang Expansion property from an arm's-length party, the company will make a one-time payment of \$12,000 cash, the issuance of 600,000 common shares plus grant the underlying vendor a 2-per-cent net smelter royalty (NSR), 50 per cent of which is purchasable by Sky Gold for \$1 million at any time.

This transaction is subject to TSX Venture Exchange approval.



+1 604-683 3995



+1 604-683-3988



info@skygoldcorp.com



skygoldcorp.com

Corporate Office

1240-789 W Pender St.

Vancouver, BC, Canada

V6C 1H2

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 Clone property.

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 plus in Nevada with the Evening Star polymetallic property.

ON BEHALF OF THE BOARD

"Mike England"

Mike England, CEO & DIRECTOR

FOR FURTHER INFORMATION PLEASE CONTACT:


Telephone: 1-604-683-3995

Toll Free: 1-888-945-4770

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).

 +1 604-683 3995

 +1 604-683-3988

 info@skygoldcorp.com

 skygoldcorp.com

Corporate Office

1240-789 W Pender St.

Vancouver, BC, Canada

V6C 1H2