



SKY GOLD FINANCING FULLY SUBSCRIBED INCLUDING STRATEGIC INVESTMENT BY ERIC SPROTT

Vancouver, British Columbia – July 13th, 2020 – Sky Gold Corp. (TSX-V: SKYG) (US:SRKZF) ("Sky Gold Corp." or the "Company") is pleased to announce that it has fully subscribed its previously announced private placement (see news release dated July 10, 2020).

Mr. Eric Sprott is expected to participate in the Offering in an amount equivalent to provide a 19.9%, non-diluted, ownership interest in the issued and outstanding common shares of Sky Gold Corp. Assuming the Offering is fully subscribed, and there is no over-allotment, Mr. Sprott's subscription is expected to be C\$1,050,000 or 10,500,000 Units, representing approximately 52.5% of the Offering.

The financing comprises 20 million units at a price of 10 cents per unit for aggregate gross proceeds of \$2-million, with each unit consisting of one common share and one-half of one transferable common share purchase warrant of the company entitling the subscriber to purchase one warrant share for a 24-month period after the closing date at an exercise price of 15 cents per share.

"Sky Gold's Newfoundland projects are adjacent to what is about to become a hotbed of activity this summer as our very well financed neighbour, New Found Gold Corp., prepares to drill a projected 100,000 meters over the next year. We look forward to exploring and drilling on our own properties in this up and coming, prolific gold camp." commented Mike England, CEO of Sky Gold Corp.

Sky Gold's Newfoundland portfolio consists of two properties in Central Newfoundland: the recently expanded Mustang property and the Virginia property, contiguous to the south-western and north-eastern portions, respectively, of the Queensway Gold Project owned by New Found Gold Corp. The enlarged Mustang Expansion property comprises 1,875 ha with exploration activities to be conducted with local Gander-based crews that are ready to mobilize. Initial work, leading up to an inaugural drill program expected to commence later this summer, will include prospecting, geological mapping, rock outcrop and subcrop sampling and hand trenching. Work permits have just been received for the Virginia property, and permits for Mustang are expected to be approved.

The eastern portion of the Mustang property hosts the well-documented Outflow prospect discovered by Noranda Exploration Company Ltd., later drilled by Altius Resources (with Barrick Gold) in the late 1990's and early 2000's, and investigated by a Newfoundland government geologist (C.G. Squires, 2005) and a 2006 Master Thesis (J.M. O'Driscoll). 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 elevated arsenopyrite concentrations. Select 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 Virginia property hosts the Virginia Holdings prospect, located approximately 0.6 kilometres north of the Gander River. The prospect consists of quartz veining developed over a 35 metre wide zone within sheared gabbro and graphitic shale (main shear). A second shear zone, hosted in gabbro, is developed 35 metres north of the main shear. Grab samples* collected from the main shear reportedly assayed up to nine grams per tonne gold and up to 109.6 grams per tonne gold from the sheared gabbro (refer to Company Press Release, February 11, 2020).

**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. Gold samples from grab samples may not represent a representative grade of the mineralization.*

Qualified Person

Catherine Fitzgerald, P.Geo., a Qualified Person under National Instrument 43-101, is the Qualified Person responsible for reviewing and approving the



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technical contents of this news release as they pertain to the Newfoundland 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, USA, 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

FOR FURTHER INFORMATION PLEASE CONTACT US:


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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 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).*

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