

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

Blue Lagoon Resources Inc.
#610 – 700 Pender Street, Vancouver, BC V6C 1G8

2. DATE OF MATERIAL CHANGE

July 31, 2019

3. NEWS RELEASE

News release dated August 6, 2019 was disseminated via the facilities of Accesswire on August 6, 2019 and filed on Sedar on August 7, 2019.

4. SUMMARY OF MATERIAL CHANGE

Blue Lagoon signs letter of intent to acquire 100% interest in Pellaire gold property

5. FULL DESCRIPTION OF MATERIAL CHANGE

Blue Lagoon Resources Inc. (CSE:BLLG) (the “**Company**”) is pleased to announce that it has entered into a non-binding letter of intent executed July 31, 2019 with ASIC Mining Inc. that sets out the terms pursuant to which Blue Lagoon may acquire all of the issued and outstanding common shares of ASIC. ASIC is a private Canadian company that holds an option to acquire a 100% interest in the Pellaire gold property located in the Clinton Mining Division of British Columbia (the “**Property**”).

The Property is comprised of 13 mineral claims covering 4,425 hectares located approximately 160km south-west of Williams Lake and just south of the Upper Taseko Lakes. The Property, which is accessible by road, has a long history since gold and silver bearing quartz veins were discovered in 1936. Ten mineralized mesothermal Gold-Silver-Telluride quartz veins hosted within the Upper Cretaceous Southeastern Coast Belt have been identified to date. Underground work and bulk sampling has identified vein strike lengths of at least 350 meters with down dip extents of at least 200 meters.

Recent exploration, underground mining and bulk sampling at the Property from 1997-2000 focused on a “mining first” objective with very little work committed to identifying or expanding the known mineralized areas. Results of the work to date show the Pellaire property has excellent potential to significantly expand the known gold-silver mineralization areas and to establish a mineral resource.

Additional information on the Property will be provided upon the company completing its technical due diligence.

Summary of ASIC Option to Acquire Pellaire Property

ASIC can earn a 100% interest in the Property by paying an aggregate of \$325,000 (USD) in cash and issuing 800,000 common shares to the property vendors, and incurring at least \$500,000 (USD) in expenditures on the Property over a period of 4 years from the date ASIC completes a going public transaction or is otherwise acquired by a public company. Upon exercise of the option, the property vendors will be entitled to a 2.5% net smelter return royalty, of which 2.0% may be repurchased by ASIC for a purchase price of \$2 million. In addition, prior to the exercise of the option, the property vendors are entitled to a 10% pre-production net smelter return royalty from mineralized material currently stock-piled

on the property, or bulk sampling activity.

Terms of Letter of Intent between Blue Lagoon and ASIC

Pursuant to the letter of intent, Blue Lagoon may acquire all of the issued and outstanding common shares of ASIC in exchange for the issuance to the ASIC shareholders of 11,600,000 common shares of the Company, on a post 4:1 share split basis. Closing of the Share Exchange is subject to various conditions, including completion of technical and other due diligence, the parties entering into a binding agreement, Blue Lagoon completing a split of its common shares on a 1 existing share for 4 post-split shares basis, and compliance with stock exchange requirements.

The technical information contained in this news release has been reviewed and approved by William Cronk, P.Geo., consultant to ASIC, who is a qualified person as defined under National Instrument 43-101.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. EXECUTIVE OFFICER

Rana Vig, CEO
Telephone: 604-218-4766

9. DATE OF REPORT

August 7, 2019