

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**

December 6, 2019

3. **NEWS RELEASE**

News release dated December 9, 2019 was disseminated via the facilities of Accesswire on December 9, 2019 and filed on Sedar on December 20, 2019.

4. **SUMMARY OF MATERIAL CHANGE**

Blue Lagoon Signs Option on Gordon Lake High Grade Gold Property, NWT

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Vancouver, British Columbia December 9, 2019 - Blue Lagoon Resources Inc. (“Blue Lagoon” or “Company”) (CSE: BLLG; FSE:7BL; OTC: BLAGF) is pleased to announce that it has entered into an option agreement with Exgen Resources Inc. (“Exgen”), a TSXV listed company, pursuant to which the Company may acquire an 80% interest in the Gordon Lake gold property located in the Northwest Territories of Canada.

ABOUT THE GORDON LAKE PROJECT

The Gordon Lake gold property consists of 2 contiguous mineral leases located 110 kilometers northeast of Yellowknife in the Northwest Territories of Canada.

The Gordon Lake Property is located on NTS sheet 085P/06 in the Northwest Territories, Canada. It is centered about 63° 17' N latitude and 113° 02' W longitude or UTM 397979 E 7018543 N (NAD83, Zone 12) (Figure 1). The claim group lies in the Mackenzie Mining District and covers ground at the north end of Gordon Lake. This is an area associated with turbidite-hosted gold occurrences approximately 115 km northeast of Yellowknife, NT. The property covers 1505 acres centered about 2200 meters north of Gordon Lake.

Access is by helicopter and ski- or float-equipped aircraft in the winter or summer. A maintained winter road, which traverses Gordon Lake to service the diamond mines to the north, is commonly operational from the third week in January to the third week in March. This winter road traverses through the eastern portion of the property and provides truck accessibility during the winter road season. A 3 kilometer long bush road joins the Main Zone at Ven Lake with the winter road.

The most recent technical report on the property was completed by Boxxer Gold Corporation* in 2011 (now Exgen). This report highlights 17 zones of high-grade shear hosted gold mineralization (only three of which have been drill tested), over a 1 kilometer strike length (generally North to South), and have been identified by geophysical surveys (2004 and 2011 MAG and IP, and 2010 Airborne MAG) and 97 drill holes (total of 7313.8 meters) drilled in 1983, 1988 and 2005. The gold-bearing quartz veins of Gordon-Ven Lake are classified as Coarse Gold-bearing veins occurring in metaturbidite hosted mesothermal vein systems.

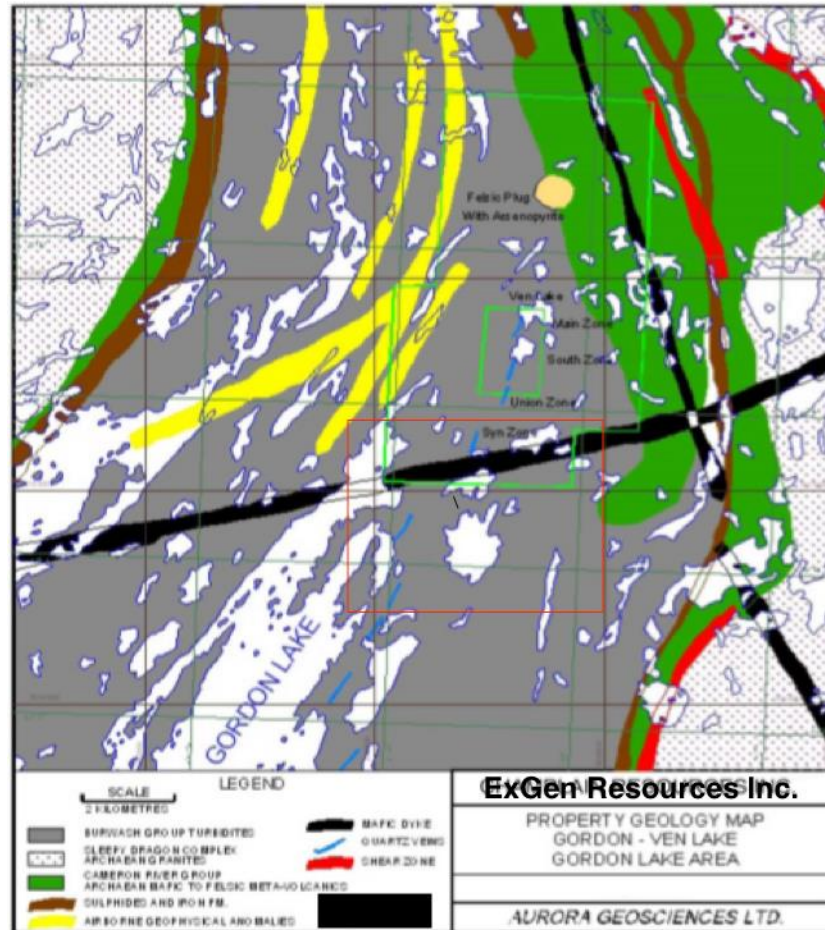


Figure 1

INITIAL WORK PLAN

Blue Lagoon expects to immediately begin a work phase consisting of project level compilation, GIS update and assessment including a 2020 Phase One drill program. The Company plans to make use of the ice road from Yellowknife this winter and drill select targets in a phase one program beginning in late January 2020.

The scientific and technical data contained in this news release was prepared and reviewed by William Cronk, P.Geo., a non-independent qualified person to the Company. Mr. Cronk is responsible for ensuring that the geologic information

provided in this news release is accurate and acts as a qualified person pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

OPTION TERMS

Pursuant to the option agreement, the Company may acquire a 80% interest in the Property by incurring \$250,000 in exploration expenditures during the first year of the option, paying \$100,000 in cash and issuing 100,000 shares of the Company to Exgen over a period of two years, paying a further \$50,000 per year until the commencement of commercial production, and issuing a further 650,000 shares of the Company upon achieving certain milestones as follows: 100,000 shares upon obtaining a NI 43-101 technical report establishing a resource estimate; 200,000 shares upon obtaining a further technical report establishing economics on the property, and 350,000 shares upon commencing commercial production. In addition, upon exercise of the option, Blue Lagoon will grant Exgen a 2.5% net smelter return royalty, with all prior cash payments being credited towards royalty payments.

The option agreement is subject to stock exchange approval as applicable to each of Blue Lagoon and Exgen.

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

December 20, 2019

