

**Blue Lagoon Provides Update on Transaction With
Metal Mountain Resources Inc.**

March 3, 2020 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) provides additional technical information regarding the mineral projects of Metal Mountain Resources Inc. (“Metal Mountain”). The Company previously announced on February 27 that it had entered into a binding letter agreement to acquire 100% of the outstanding shares of Metal Mountain, a private British Columbia company.

Metal Mountain holds a 50.84% interest in Gavin Mines Inc. (“Gavin Mines”), which in turn holds a 100% interest in the Dome Mountain Mine located near the town of Smithers in northwest British Columbia. Blue Lagoon also has a binding letter of intent with AGC Investments Inc. (“AGC”), a private company which holds a 27.44% interest in Gavin Mines, whereby Blue Lagoon may acquire AGC’s interest on closing of the acquisition of Metal Mountain.

With the acquisition of Metal Mountain’s 50.84% interest and AGC’s 27.44% interest, Blue Lagoon will hold a total of 78.28% interest in the Dome Mountain Mine.

Additionally, Metal Mountain also holds a 100% interest in the Big Onion Property, a porphyry copper project located 16 kilometres east of the town of Smithers and consists of 13 contiguous mineral claims comprising a total area of 4,493 hectares. The company will provide additional information on the Big Onion project in subsequent news releases.

DOMES MOUNTAIN PROJECT INFO & HISTORICAL ESTIMATES

The Dome Mountain Project is the subject of a NI 43-101 technical report *entitled Technical Report on the Dome Mountain Gold-Silver Project* dated April 2010, prepared by Gary Giroux, P. Eng., Giroux Consultants Ltd. for Gavin Mines. The technical report provides the following historical resource estimate for the Boulder Vein System based on 285 surface diamond drill holes and 37 underground diamond drill holes (the “2010 Historical Resource Estimate”):

Historical Indicated Resource within the Mineralized Veins

Au Cut-off	Tonnes > Cut-off	Grade > Cut-off		Contained Metal	
		Au (g/t)	Ag (g/t)	Au (ozs)	Ag (ozs)
4.00	143,000	14.76	72.83	67,900	334,800
5.00	138,000	15.10	73.93	67,000	328,000
6.00	133,000	15.46	75.36	66,100	322,200

Historical Inferred Resource within the Mineralized Veins

Au Cut-off	Tonnes > Cut-off (tonnes)	Grade > Cut-off		Contained Metal	
		Au (g/t)	Ag (g/t)	Au (ozs)	Ag (ozs)
4.00	173,000	12.43	57.03	69,100	317,200
5.00	154,000	13.42	60.63	66,500	300,200
6.00	137,000	14.43	64.49	63,500	284,000

This resource occurs principally above the 1290 level and has been adjusted to remove the volumes previously mined. The 2010 Historical Resource Estimate is considered historical in nature by the Company, is provided for

background information purposes only, and is not a current resource estimate due to significant additional exploration work conducted subsequent to the date of the report. A qualified person (as defined in NI 43-101) has not done sufficient work to classify the historical estimate as a current mineral resource. The Company is not treating the historical estimate as a current mineral resource.

Subsequent to the 2010 Historical Resource Estimate, Gavin Mines conducted 7,210 meters of infill drilling in 2016 to upgrade the inferred resource. Four new veins were discovered within the Boulder Vein System during the 2016 drill program. The 2016 drilling program added 330 meters of strike length to the Boulder Vein which remains open along strike to the west and at depth.

Gavin Mines engaged Roughstock Mining Services LLC of Bozeman, MT to prepare a non-43-101 resource estimate for the Boulder Vein system for internal use, based on the additional data from the 2016 drill program, as follows (the “2016 Historical Resource Estimate”):

Historical Dome Mountain Mine Indicated Resource at 3.42 g/t Cut-off (undiluted) as at December 30, 2017

	Tonnes	Grade (g/t)	Grams	Ounces
Boulder Vein	164,735	12.76	2,102,654	67,601
Boulder East Vein	8,736	22.22	194,137	6,241
TOTAL	173,471	13.24	2,296,791	73,843

Historical Dome Mountain Mine Inferred Resource at 3.42 g/t Cut-off (undiluted) as at December 30, 2017

	Tonnes	Grade (g/t)	Grams	Ounces
Boulder Vein	171,611	8.96	1,538,017	49,448
Boulder East Vein	166,852	8.17	1,362,590	43,808
Argillite Vein	75,486	12.97	979,050	31,477
Boulder HW Vein	46,079	7.62	351,222	11,292
TOTAL	480,028	9.20	4,230,879	136,025

Blue Lagoon does not consider the 2016 Historical Resource Estimate to be a current resource as defined in NI 43-101. While Blue Lagoon believes the information to be generally reliable, Blue Lagoon has conducted only preliminary technical due diligence on the Dome Mountain Mine, and has not conducted the work necessary to independently verify the resource estimate, and specifically has not conducted a comprehensive review of the drill sample data used in the estimate, or other analysis necessary to confirm the cut-off grade and other factors used in calculating the resource, including the method of calculation of the resource. Readers should not treat the 2016 Historical Resource Estimate as a current mineral resource. The historical estimate is a non-NI 43-101 estimate, and as such was not prepared in compliance with NI 43-101 and does not use the categories or procedures required by CIM Best Practice Guidelines for Mineral Resources and Mineral Reserves or CIM definitions for mineral resources.

MILLING AGREEMENT

In March 2017, Gavin Mines entered into a toll milling agreement with Nicola Mining Inc. to provide for offsite milling and concentrating. Dome Mountain ore will be trucked and processed at this offsite mill owned by Nicola Mining Inc. located in Merritt, B.C. which has a capacity of processing 250 tonnes per day. Mill recoveries are based on a scoping level metallurgical program which was conducted on muck samples from the Dome Mountain Mine in 2010 and a test run of 6,690 tonnes of material that was run through the Nicola mill in 2016 at a grade of 8.75 gram/ton, with a 95.2% gold recovery.



THE DOME MOUNTAIN MINE

The Dome Mountain Mine includes a past producing mine on tenures consisting of 42 contiguous mining claims and one mining lease totaling 10,970 hectares, located approximately 38 kilometers east of the town of Smithers in northwest British Columbia. The Dome Mountain area has a long history of exploration that resulted in the discovery of numerous gold bearing quartz-carbonate veins. Gold mineralization was first located on the property in the late 1800s and considerable surface and underground work was done in 1923-24. Resumption of exploration in the 1980s led to the discovery of the Boulder Vein system in 1985. Underground mining was initiated in August 1991 by Timmins Nickel Inc. and its joint venture partner, Habsburg Resources Inc. and ceased in May 1993. During this period 43,900 tonnes at an average grade of 12.0 grams per tonne gold were reportedly mined from shrinkage stopes accessed from trackless drift developments on the 1290 and 1370 levels.

Expenditures on the mine by past operators, including Gavin Mines, Timmins and Noranda, have totaled in excess of \$68 million, \$28 Million of which was spent by Gavin in the past 12 years. Mine permitting and significant infrastructure construction and underground development was completed on the mine between 2010 and 2012, including about 75% of the planned underground development necessary for commencing production from the site. The Dome Mountain Project holds a Mining Permit and Environmental Management Act Permit (EMA) providing for up to 75,000 tonnes annually.

The infrastructure and underground development completed during that period includes:

- Mine dry/office building
- Electrocoagulation water treatment plant
- Water and sewer for all surface facilities
- Pipelines system for mine water
- Mechanics shop
- Electrical work into the mine
- Fuel storage and distribution system
- Major earthwork projects completed
- Underground development

The scientific and technical data contained in this news release was prepared and reviewed by William Cronk, P.Geo., a qualified person as defined in NI 43-101 and a consultant to the Company.

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The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Statement Regarding Forward-Looking Information: This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that Blue Lagoon Resources Inc. (the "Company") expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include results of exploration activities may not show quality and quantity necessary for further exploration and exploitation of minerals deposits, market prices, and continued availability of capital and financing, permitting and other approvals, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or



developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

