

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

February 27, 2020

3. NEWS RELEASE

News release dated February 27, 2020 was disseminated via the facilities of Accesswire on February 27, 2020 and filed on Sedar on March 4, 2020.

4. SUMMARY OF MATERIAL CHANGE

Blue Lagoon Signs Binding Letter Agreement With Metal Mountain Resources Inc.

5. FULL DESCRIPTION OF MATERIAL CHANGE

Vancouver, British Columbia – February 27, 2020 - **Blue Lagoon Resources Inc.** (“**Blue Lagoon**” or the “**Company**”) (CSE: BLLG; FSE:7BL; OTCQB: BLAGF) is pleased to announce the Company and Metal Mountain Resources Inc., a private BC Company, have replaced the non-binding letter of intent announced on February 25 with a binding letter agreement, for the acquisition by Blue Lagoon of 100% of the outstanding shares of Metal Mountain in exchange for approximately 12.15 million shares of Blue Lagoon.

Pursuant to the letter agreement, on closing of the transaction, Metal Mountain will amalgamate with a new subsidiary of Blue Lagoon to be incorporated for the purpose of this transaction. The shareholders of Metal Mountain will on closing receive 0.97266 shares of Blue Lagoon for every 4 common shares of Metal Mountain held by them. The Blue Lagoon shares will be subject to a hold period for an initial 12 months from closing, and thereafter the hold period will expire in installments as follows:

- 10% on each of 12 and 15 months from the closing date
- 15% on each of 18 and 24 months from the closing date
- 25% on each of 27 and 30 months from the closing date

Metal Mountain will schedule and call a meeting of its shareholders for the purposes of seeking approval of the transaction, including the amalgamation. Closing of the transaction is subject to various conditions, including any required stock exchange approvals, shareholder approval of Metal Mountain, and completion of due diligence investigations. The parties are working to prepare and settle the terms of a definitive agreement to replace the letter agreement.

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**

March 4, 2020

