

## 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

March 10, 2020

### 3. NEWS RELEASE

News release dated March 10, 2020 was disseminated via the facilities of Accesswire on March 10, 2020 and filed on Sedar on March 11, 2020.

### 4. SUMMARY OF MATERIAL CHANGE

Blue Lagoon Enters Into Definitive Business Combination Agreement With Metal Mountain Resources Inc.

### 5. FULL DESCRIPTION OF MATERIAL CHANGE

**Vancouver, British Columbia – March 10, 2020 – Blue Lagoon Resources Inc.** (“**Blue Lagoon**” or the “**Company**”) (CSE: BLLG; FSE: 7BL: BLAGF) is pleased to announce that the Company has entered into a definitive business combination agreement dated March 9, 2020 (the “**Agreement**”) with Metal Mountain Resources Inc. (“**Metal Mountain**”) to acquire Metal Mountain in exchange for approximately 12.15 million common shares of the Company (the “**Transaction**”). Metal Mountain holds a 50.84% interest in Gavin Mines Inc. (“**Gavin Mines**”), which holds a 100% interest in the Dome Mountain mine, and 100% of Lloyd Minerals Inc., which holds a 100% interest in the Big Onion porphyry copper project, both located in northwest British Columbia.

Pursuant to the terms of the Agreement, Metal Mountain will amalgamate with a newly-incorporated subsidiary of the Company to form one corporation under the provisions of the *Business Corporations Act* (British Columbia) (“**Amalco**”). Amalco will be a wholly-owned subsidiary of the Company. The shareholders of Metal Mountain will on closing receive 0.97266 common shares in the capital of the Company in exchange for every four outstanding common shares of Metal Mountain held by them. The board and management of Gavin Mines will be reconstituted, such that the Company will have control of the board of Gavin Mines on closing of the Transaction.

Completion of the Transaction is subject to satisfaction of a number of conditions, including completion of due diligence investigations of Metal Mountain to the satisfaction of the Company; Metal Mountain using reasonable efforts to ensure its outstanding debt on closing of the Transaction does not exceed \$5.5 million – to be paid out of the proceeds of future production; approval of the Transaction by the Metal Mountain shareholders; and the receipt of any required regulatory and third party consents.

The Transaction is also subject to the Company having acquired the shares of Gavin Mines held by AGC Investments Inc. (“**AGC**”), or receipt of satisfactory documents and approvals relating to such transfer. Blue Lagoon has a binding letter of intent with AGC, a private company which holds a 27.44% interest in Gavin Mines, to acquire AGC’s interest in Gavin Mines.

“The signing of this definitive agreement is a major milestone for Blue Lagoon as we continue to move the Company towards the goal of transforming it into a development stage gold company focused on

advancing a very promising gold property in British Columbia that holds both - a Mining Permit and an Environmental Management Act Permit - which provides for up to 75,000 tonnes annually,” said Rana Vig, President and CEO of Blue Lagoon Resources.

The company will continue to move expeditiously on closing the transaction and, in subsequent news releases, will be providing further information on its plans for the Dome Mountain Gold Mine Project as well as its other properties.

Readers are cautioned that no decision to proceed to production has been made at this time.

**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 11, 2020

