

BLUE LAGOON KICKS OFF PHASE ONE DRILL PROGRAM AT ITS DOME MOUNTIAN GOLD PROJECT

July 23, 2020 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce that the planned Phase One drilling program has started on the Company’s Dome Mountain Gold Project located a 50 minute drive from Smithers B.C. The Dome Mountain Gold Mine Project holds a Mining Permit and Environmental Management Act Permit (EMA) providing for up to 75,000 tonnes production annually and 15 known high grade gold veins identified, with a significant portion of the property yet to be explored.

Phase One Drilling will consist of 2800 meters of HQ diamond drilling from 22 holes located on eight pre-existing pads (see Figure 1 below). Table One shows the pads and planned drillholes in order of priority. Planned lengths of holes are based on the Vulcan model and are designed to end 5 meters beyond the vein margin.

TABLE ONE

Pad	Elev. [m]	Azimuth	Inclination	Planned Length [m]
16-26	1252	47	-73	105
16-26	1252	0	-67	95
16-26	1252	327	-57	95
16-30	1260	162	-45	60
16-17	1271	0	-57	201
16-29	1271	340	-52	150
16-29	1271	0	-70	200
16-29	1271	0	-64	170
16-29	1271	0	-56	155
16-29	1271	0	-45	140
16-29	1271	19	-45	150
16-29	1271	48	-62	215
16-16	1283	299	-70	115
16-16	1283	309	-58	85
16-16	1283	0	-65	85
16-15	1292	110	-68	100
16-15	1292	91	-58	70
16-13	1299	32	-45	90
16-13	1299	0	-70	125
16-13	1299	0	-63	100
16-8	1346	64	-45	130
16-8	1346	77	-45	135

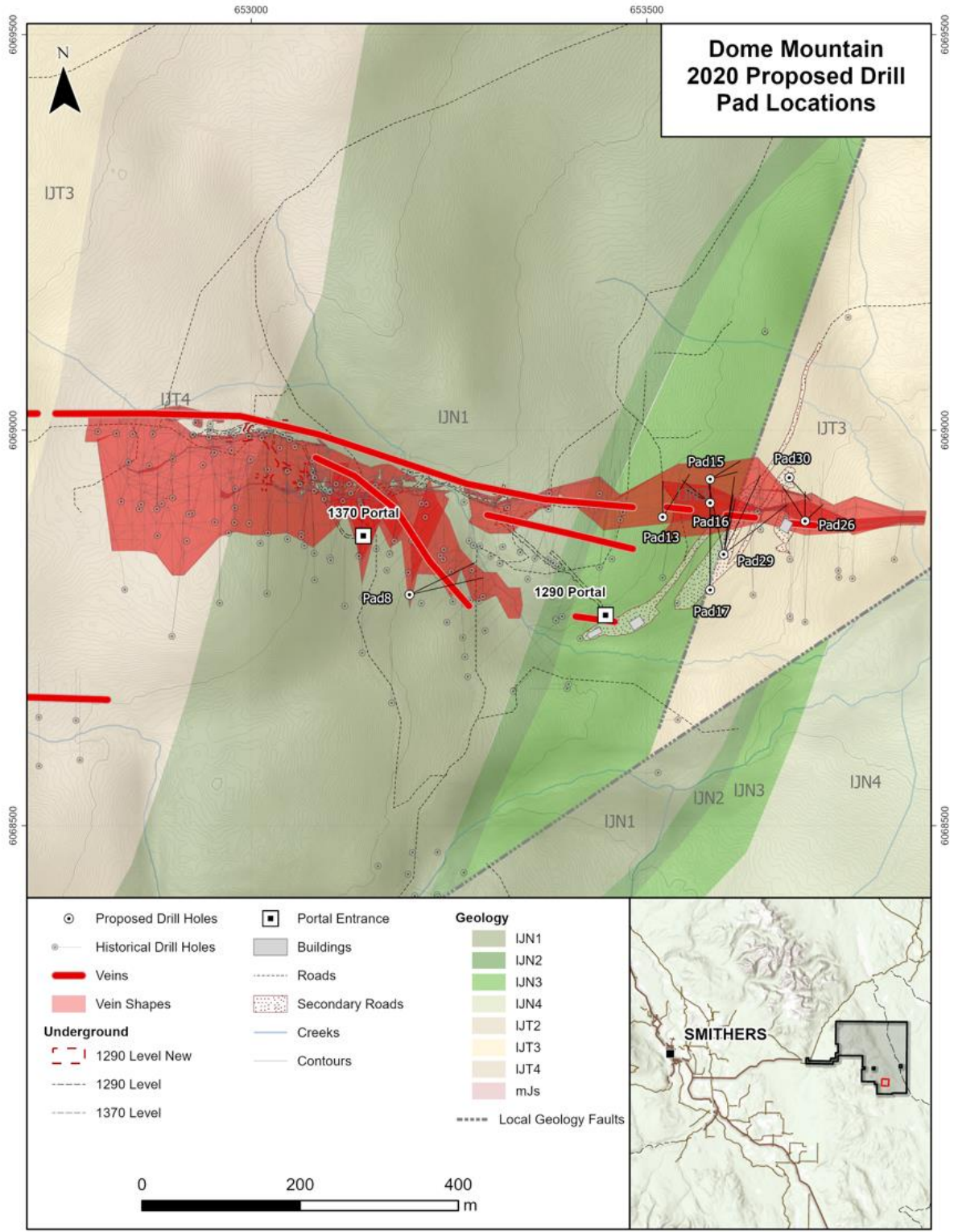


Figure 1

Drill holes drilled from Pad 16-8 are not designed to hit the inferred resource. This setup is planned to intercept high-grade gold mineralization along a NNE-SSW mineralized structure that was encountered in drill hole DM-16-79 during the 2016 drill campaign.

“It’s been some time since any drilling activity has taken place at the Dome Mountain project so we’re quite excited to pick up where things were left off in 2016, particularly in this robust gold market,” said Rana Vig, President and CEO of Blue Lagoon Resources.

This Phase One drill program is targeting a portion of the inferred resource as defined by the recently filed Preliminary Economic Assessment (PEA). (PEA NI43-101 Technical Report filed on July 15, 2020). Using a cut-off of 3.42 g/t Au and a gold price of \$1450 per troy ounce the PEA outlined an undiluted indicated resource of 81,017 ounces gold at 15.78 g/t gold and an inferred resource of 149,240 ounces gold at 10.09 g/t gold. [Click here to read the Company’s full news release on the results of the PEA.](#)

The drill collars chosen are located on already completed drill pads and existing road infrastructure. Multiple HQ drill holes will be completed from each pad and are designed to infill along and in an already defined Inferred resource domain with planned intercepts designed to be within 30 meters area of influence, with as much as 33% of the existing Inferred resource to be tested for potential upgrade to Indicated (see Figure 2).

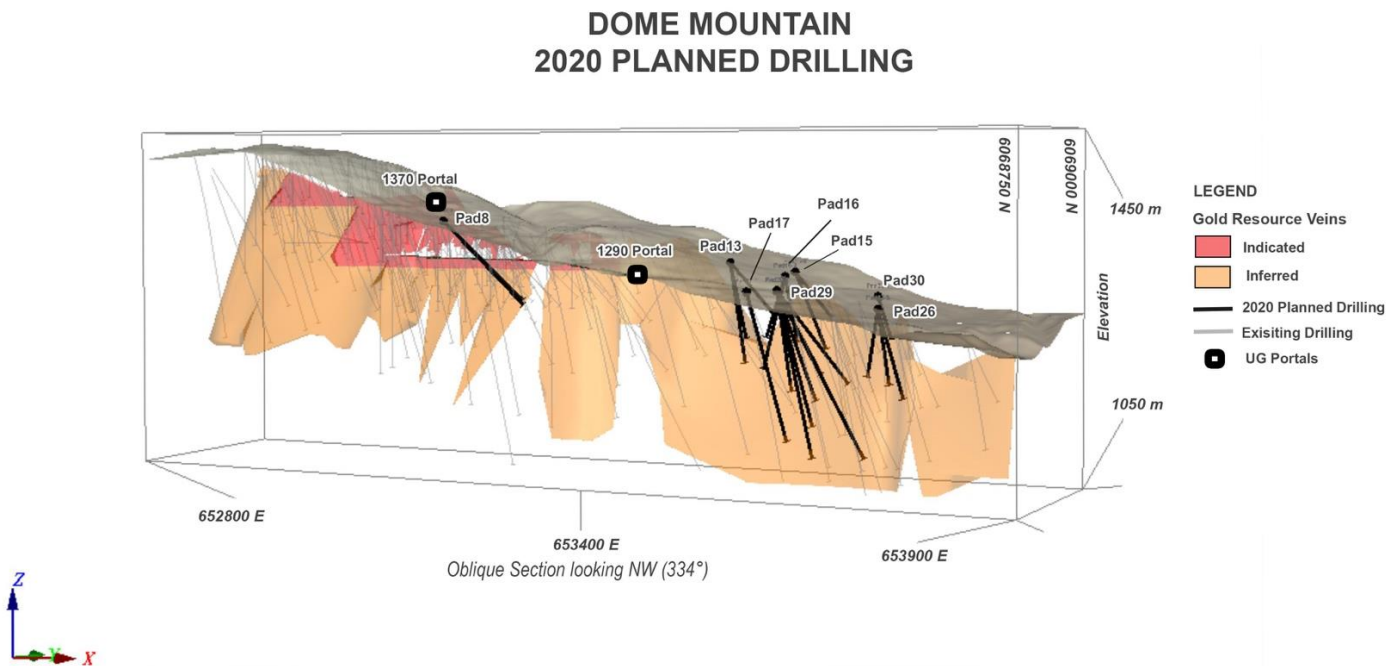


Figure 2

Bill Cronk, Chief Geologist for Blue Lagoon stated “I am very excited to begin work on the Dome Mountain Gold Project. This project is very versatile and prospective having a significant indicated gold resource, a Mine Permit in place, mine infrastructure development, an inferred resource ready for upgrading to indicated and, a very prospective land package with multiple mineralized quartz veins ready for drill target prioritization.” Furthermore, this phase one drilling program is just the first part of a very comprehensive multi-phase plan focused on defining and exploiting the full potential of the Dome Mountain Gold Project,” he added.

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

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