

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**

August 12, 2020

3. **NEWS RELEASE**

News release dated August 12, 2020 was disseminated via the facilities of Accesswire on August 12, 2020 and filed on Sedar on August 26, 2020.

4. **SUMMARY OF MATERIAL CHANGE**

Blue Lagoon Completes \$7.52 Million Private Placement.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

August 12, 2020 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “**Company**”) (CSE: BLLG; FSE:7BL; OTC: BLAGF) is pleased to announce that it has completed a private placement (the “**Private Placement**”) of 21,496,301 units (“**Units**”) at a price of \$0.35 per Unit for aggregate gross proceeds to the Company of \$7,523,706. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.50 per share for a period of 24 months from the closing date. The expiry date of the warrants may be accelerated in the event the closing price of the common shares of the Company on the Canadian Securities Exchange is equal to or greater than \$0.75 for a period of 10 consecutive trading days, in which case the warrants will expire 30 days from the date the Company provides an acceleration notice to the warrant holders.

Proceeds of the Private Placement will be used for exploration activities to expand and upgrade known mineralization and resource areas on the Company’s Dome Mountain gold project, as well as for completing the permitting requirements of the existing underground mine, in addition to general working capital purposes.

The Company has agreed to pay a finders fee in cash equal to 7% of the gross proceeds from the sale of Units to third parties sourced by the finders as well as warrants to purchase that number of common shares of the Company equal to 7% of the number of Units sold to third parties sourced by the finder. The finder’s warrants may be exercised to acquire common shares of the Company at a price of \$0.50 per common share for a period of 24 months from the date of closing and are otherwise on the same terms as the Private Placement warrants.

The securities issued pursuant to the Private Placement are subject to a hold period of four months and one day in accordance with applicable securities laws.

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

August 26, 2020

