

BLUE LAGOON ACCOMPLISHES IMPORTANT MILESTONE IN ITS MINING PERMIT AMENDMENT PROCESS – COMPLETES WATER TREATMENT PLANT

March 23, 2021 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce the completion of its water treatment plant and to provide an update on work completed to date during the first quarter of 2021 on its Dome Mountain Gold Project, an all-year accessible property located a short 50-minute drive from Smithers BC., which holds both an Environmental Management Act Permit (EMA) and a Mining Permit providing for up to 75,000 tonnes production annually. In addition, the property has 15 known high grade gold veins (see the Company’s news release dated May 4, 2020) with nearly 90% of the 18,934 hectare property yet to be explored.

“The completion of the Water Treatment Plant is a very important and significant milestone for this project as it’s one of the three key amendments required in order to gain permission to re commence mining,” said Rana Vig, President and CEO of Blue Lagoon Resources. “With this state-of-the-art water treatment plant now in operation, we will turn our focus to updating and completing the mine reclamation plans, the final of the three key required amendments which we expect to complete by the end of April,” he added.

Work on Dome Mountain started on January 4th, with the first quarter of 2021 seeing robust activity and the completion of the following important tasks to date:

- Underground **Bolting** on the 1290 level - COMPLETED.
- 13 meters installation of a planned 34 meters on the **secondary emergency egress** from the 1290 level to the 1370 level – COMPLETED.
- 4 management plans required for updated **Reclamation and Closure Plan** – COMPLETED.
- **Ore storage** building – COMPLETED.
- Installation of upgraded equipment for the **Water Treatment Plant** – COMPLETED.
- 7176.5 meters of planned 20,000 meters **diamond drilling** – COMPLETED.
- Updated **Ground Control Management Plan** ready for submission to Ministry – COMPLETED.

The Company will evaluate a production decision once all permit requirements are in place. Any production decision in advance of obtaining a feasibility study of mineral reserves demonstrating economic and technical viability of the project is associated with increased uncertainty and risk of failure.

WATER TREATMENT PLANT

Muddy River Technologies of Delta B.C., an innovative water technology company led by Dr. Rob Stephenson, one of the leading experts in the field, has finished equipment installation for the upgrade of the Water Treatment Plant. Water treatment batch tests were initiated with results expected back the week of March 29, 2021. The Water Treatment Plant design by Muddy River's is a groundbreaking technology designed to treat mine water with zero to extremely low levels of sludge and power usage. Included in this design is the use of CO₂, to be captured from the exhaust from the Company's onsite generators and used to lower the Ph of the treated water to such a level that it can be discharged to the environment, in balance with surface water in the immediate area.

UNDERGROUND WORK UPDATE

Completion of the underground bolting on the 1290 level of the permitted underground Mine at Dome Mountain allowed the Company to initiate the installation of the Secondary Emergency Egress from the 1290 level to the 1370 level. The updated Ground Control Management Plan has provided for superior underground ground conditions for further work. Completed installation of the emergency egress and planned mine survival training scheduled for late March will provide the requisite conditions to begin moving the mineralized material stored underground in the 1290 level to the ore storage building and, beginning in mid to late April, ship that material to the Nicola Mine facility in Merritt B.C. for processing.

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.

DISPOSITION OF THE GOLDEN WONDER PROPERTY

The Company is also pleased to announce that it has sold the Golden Wonder property to Gama Explorations Inc. ("Gama"), a private BC company, for 1,000,000 common shares of Gama, \$50,000 in cash and a 0.5% net smelter returns royalty on the property. The Golden Wonder Property is an exploration stage gold property that consists of five contiguous mineral title claims in West Central British Columbia. Blue Lagoon conducted an exploration program on the property in 2019 with positive results. The Company has determined to focus on its more advanced Dome Mountain, Pellaire and Big Onion projects. The decision to sell the Golden Wonder property allows Gama, a junior mining company, to focus on advancing the property while Blue Lagoon retains the ability to participate indirectly through its share ownership of Gama and a retained royalty interest in the property. The Company believes the Golden Wonder property represents an excellent project for further exploration.

For further information, please contact:

Rana Vig
President and Chief Executive Officer
Telephone: 604-218-4766
Email: rana@ranavig.com

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 or future exploitation of minerals deposits, volatility of gold and silver 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.