

## **BLUE LAGOON CONTINUES TO HIT MORE GOLD AT DOME MOUNTAIN**

**December 7, 2021 – Vancouver, British Columbia – Blue Lagoon Resources Inc.** (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce new high-grade gold results from its on-going diamond drilling program at its 100% controlled Dome Mountain Gold Project, an all-year-round accessible property located a short 50-minute drive from Smithers B.C.

To date, the Company has completed 20,627 meters of diamond drilling since the commencement of the 2021 drilling program announced on January 11, 2021 (Table 2). Phase One drilling, completed earlier this year, encompassed 7,176.5 meters in 32 holes, and to date, 49 holes totaling 13,446.5 meters have been drilled as part of the Company’s Phase Two program. Drilling is ongoing with two diamond drills operating around the clock and will continue until on or about December 15, 2021 and will recommence in early January 2022.

Due to exceptionally slow lab turn-around times, an industry wide problem, the Company is waiting for assay results from more than 30 holes. Highlights of the most recent assay results (Table 1) include:

### **Hole DM-21-177\*:**

- 47.09 g/t Au eq over 0.65 m
- 8.05 g/t Au eq over 1.37 m
- 7.71 g/t Au eq over 3.55 m
- 20.30 g/t Au eq over 0.75 m
- 9.22 g/t Au eq over 0.80 m

### **Hole DM-21-178:**

- 14.20 g/t Au eq over 1.28 m
- 27.70 g/t Au eq over 0.50 m
- 11.51 g/t Au eq over 0.65 m

### **Hole DM-21-186:**

- 20.55 g/t Au eq over 0.37 m
- 23.81 g/t Au eq over 0.60 m
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\* Announced in a press release dated September 22, 2021

Quinton Hennigh, Director of Crescat Capital, a strategic shareholder of Blue Lagoon, commented "It is quite promising that the first exploration hole into the new Chance Structural Zone ("CSZ") has returned high-grade vein intercepts. High-grade veins have now been found over an area of approximately 2 sq km across the core part of the project. With over thirty holes in the lab for assay, many of which display multiple vein intercepts in the CSZ and Federal Zones, it will be exciting to see how this story unfolds."

Results for 11 new holes have been returned since previous results were announced in a press release dated September 22, 2021 (Table 1). As discussed in that press release, hole DM-21-186 was the first hole completed in the newly identified CSZ and encountered narrow and steeply dipping quartz-sulfide veins in country rock displaying disseminated sulfide mineralization. This hole encountered six notable mineralized intercepts including 20.55 g/t Au eq over 0.37 m and 23.81 g/t Au eq over 0.60 m, confirmation that this new target is capable of hosting high-grade vein mineralization.

"Hole DM-21-186 provides our first indication that the complex network of structures discovered in the Chance Structural Zone ("CSZ") host high-grade gold veins," commented Bill Cronk, Blue Lagoon's Chief Geologist. "This is a very encouraging start on this new zone of mineralization, especially given the fact that we have seen many more such vein intercepts drilled in subsequent holes at this new target. Sheeted high-grade veins of multiple orientations are typical in alkaline gold deposits such as this. We look forward to receipt of assays from the twenty additional holes completed in the CSZ as well as results from the new Federal Zone," he added.

The CSZ is structurally complex with faults and quartz veins displaying multiple orientations including steeply dipping and flat lying. To date, 21 holes completed at CSZ define a structural corridor within a complex graben at least 300 meters in width and 300 meters along strike (NW-SE). Further drilling will be completed to delineate this new mineralized structural zone along strike and at depth.

Hole DM-21-178, which tested the Freegold Vein target as an undercut to hole DM-21-177 encountered seven notable mineralized vein intercepts including 14.2 g/t Au eq over 1.28 m, 27.70 g/t Au eq over 0.50 m and 11.51 g/t Au eq over 0.65 m. This hole (and DM-21-177) shows that the high-grade Freegold Veins have a strike extent of at least 300m.

Holes DM-21-177 to DM-21-185 were completed in the Freegold intrusion and display anomalous gold consistent with known mineralization encountered at the surface. More drilling may be planned at Freegold showing once a ground IP survey is completed.

## **Federal Creek**

One drill rig was deployed to the Federal Zone to test for mineralization associated with an Airborne EM anomaly within a NNW-SSE structural zone highlighted by magnetics. To date, ten drill holes have been completed in this new target, several of which have encountered a few meters to tens of meters of graphitic shear zone above and below a contact between supracrustal sedimentary rocks and volcanic rocks including ash tuffs and volcanic breccia. This graphitic "zone" is characterized by 1-10% graphite and anomalous arsenopyrite (up to 10%) and pyrite with local occurrences of chalcopyrite, sphalerite and galena. Mineralization appears to be consistent along strike and at depth.

TABLE 1

DH	From (m)	To (m)	Interval (m)	Au (gpt)	Ag (gpt)	Pb (%)	Zn (%)	Cu (%)	Au eq (gpt)
<b>DM-21-178</b>	<b>98.90</b>	<b>100.18</b>	<b>1.28</b>	<b>12.60</b>	<b>71.00</b>	<b>1.02</b>	<b>0.36</b>	<b>0.07</b>	<b>14.20</b>
	100.18	101.40	1.22	2.11	75.00	0.45	1.78	0.11	4.34
	<b>124.95</b>	<b>125.45</b>	<b>0.50</b>	<b>9.71</b>	<b>1012.00</b>	<b>5.54</b>	<b>4.48</b>	<b>0.43</b>	<b>27.70</b>
	109.70	110.00	0.30	1.39	6.00	0.37	0.46	0.04	1.91
	125.45	126.25	0.80	3.81	100.00	0.19	0.10	0.04	5.26
	<b>132.35</b>	<b>133.00</b>	<b>0.65</b>	<b>10.60</b>	<b>32.00</b>	<b>0.28</b>	<b>0.67</b>	<b>0.03</b>	<b>11.51</b>
	167.45	168.55	1.10	1.38	16.00	0.02	0.09	0.07	1.75
<b>DM-21-180</b>	59.20	60.37	1.17	1.75	5.63	0.01	0.21	0.03	1.98
	221.75	222.12	0.37	1.16	0.00	0.00	0.01	0.01	1.18
<b>DM-21-181</b>	18.28	18.62	0.34	5.00	8.47	0.08	0.04	0.02	5.19
	209.60	209.85	0.25	5.79	7.00	0.00	0.03	0.17	6.18
	306.40	307.10	0.70	3.01	10.00	0.08	0.22	0.02	3.33
<b>DM-21-182</b>	No sig values								
<b>DM-21-184</b>	23.35	24.20	0.85	2.81	9.00	0.17	0.07	0.01	3.05
	83.15	83.45	0.30	3.28	6.00	0.06	0.07	0.01	3.42
<b>DM-21-186</b>	25.3	25.45	0.15	13.40	11.00	0.00	0.01	0.02	13.58
	<b>29.18</b>	<b>29.55</b>	<b>0.37</b>	<b>20.00</b>	<b>16.00</b>	<b>0.00</b>	<b>0.54</b>	<b>0.04</b>	<b>20.55</b>
	59.00	59.15	0.15	2.00	25.00	0.00	0.08	0.11	2.55
	116.60	117.15	0.55	1.47	10.00	0.00	0.04	0.04	1.68
	<b>122.00</b>	<b>122.60</b>	<b>0.60</b>	<b>22.80</b>	<b>60.00</b>	<b>0.00</b>	<b>0.05</b>	<b>0.13</b>	<b>23.81</b>
	126.20	126.80	0.60	1.49	5.00	0.00	0.02	0.02	1.60

Au eq (gpt) = Au (gpt) + (Ag (gpt)/79) + (Pb (%)/2.59) + (Zn (%)/1.92) + (Cu (%)/0.60)

True widths of veins cannot be estimated at this early stage.

TABLE 2

Final Hole ID	Easting	Northing	Depth (m)
<b>DM-21-172</b>	654551.559	6070353.466	410
<b>DM-21-173</b>	654207.968	6069899.49	425
<b>DM-21-174</b>	654551.705	6070356.513	301
<b>DM-21-175</b>	654209.045	6069896.917	452
<b>DM-21-176</b>	654284.352	6070175.188	546
<b>DM-21-177</b>	654208.499	6069897.123	569
<b>DM-21-178</b>	654208.158	6069897.19	401
<b>DM-21-179</b>	655590.081	6071331.15	403
<b>DM-21-180</b>	654272.562	6069849.346	235
<b>DM-21-181</b>	654371.108	6069817.6	354
<b>DM-21-182</b>	655138.606	6071500.672	254.5
<b>DM-21-183</b>	655138.838	6071500.814	190
<b>DM-21-184</b>	654370.963	6069817.44	135

<b>DM-21-185</b>	656002.464	6073183.661	496
<b>DM-21-186</b>	653752.182	6069558.771	365
<b>DM-21-187</b>	653753.081	6069559.01	278
<b>DM-21-188</b>	653753.681	6069558.618	96.5
<b>DM-21-188a</b>	653753.513	6069558.353	193
<b>DM-21-189</b>	653762	6069569	177
<b>DM-21-190</b>	654440	6069028	150
<b>DM-21-191</b>	653539	6069399	215
<b>DM-21-192</b>	654440	6069028	155.5
<b>DM-21-193</b>	653539	6069399	315
<b>DM-21-194</b>	654441	6069031	179
<b>DM-21-195</b>	653539	6069399	359
<b>DM-21-196</b>	654441	6069031	160
<b>DM-21-197</b>	654591	6068688	448
<b>DM-21-198</b>	653539	6069399	377
<b>DM-21-209</b>	654569	6068691	405
<b>DM-21-200</b>	653539	6069399	215
<b>DM-21-201</b>	653633	6069329	205
<b>DM-21-202</b>	654569	6068691	362
<b>DM-21-203</b>	653633	6069329	179
<b>DM-21-204</b>	653633	6069329	152
<b>DM-21-205</b>	654691	6068738	419
<b>DM-21-206</b>	653633	6069329	242
<b>DM-21-207</b>	653633	6069329	236
<b>DM-21-208</b>	653633	6069329	158
<b>DM-21-209</b>	654691	6068738	350
<b>DM-21-210</b>	653633	6069329	158
<b>DM-21-211</b>	653633	6069329	173
<b>DM-21-212</b>	654691	6068738	457
<b>DM-21-213</b>	653633	6069329	218
<b>DM-21-214</b>	653633	6069329	170
<b>DM-21-215</b>	654691	6068738	518
<b>DM-21-216</b>	653717	6069212	227
<b>DM-21-217</b>	653717	6069212	242
<b>DM-21-218</b>	653717	6069212	239
<b>DM-21-219</b>	653717	6069212	155
<b>DM-21-220</b>	653717	6069212	113

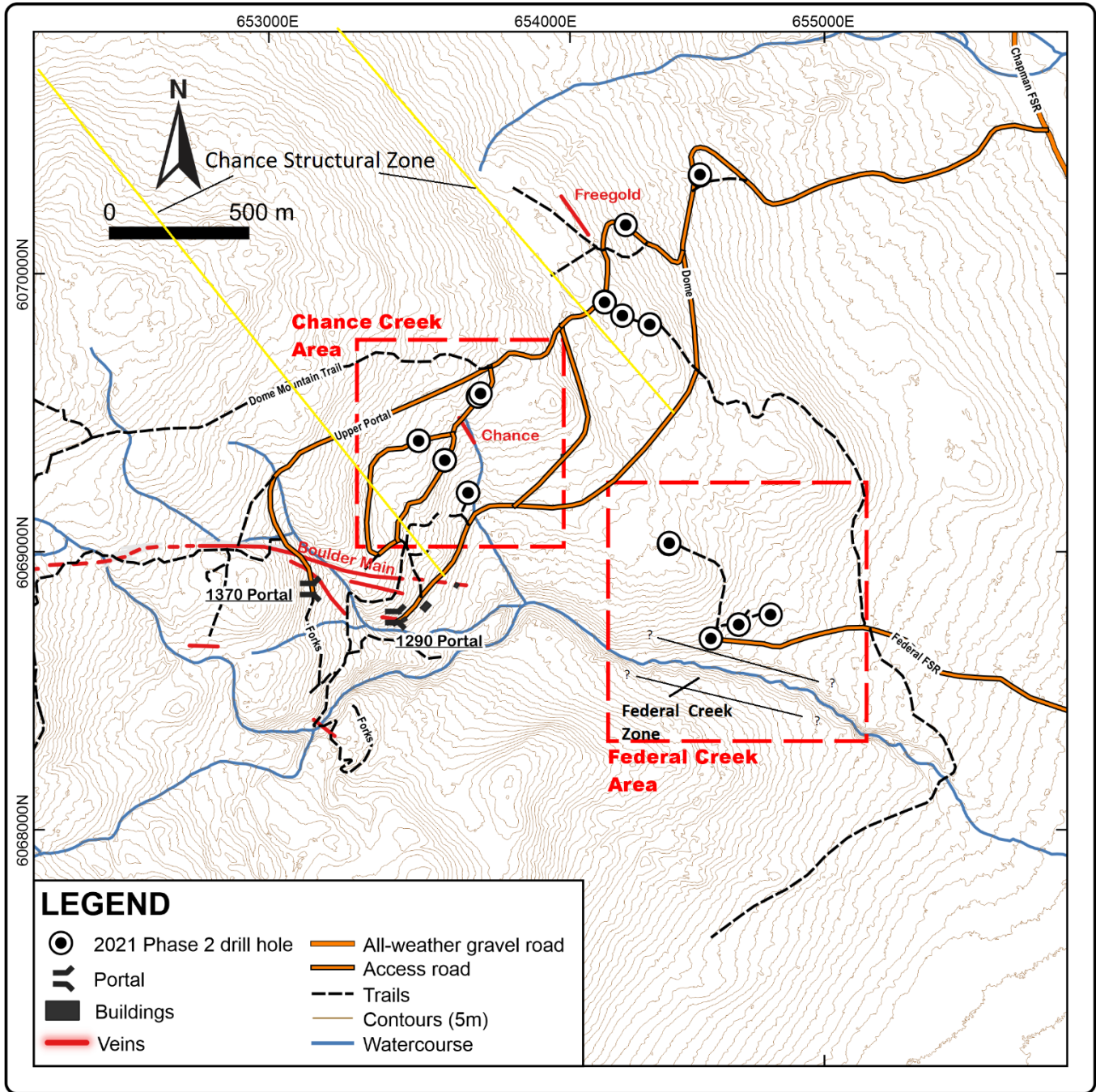


Figure 1 Site map showing only Phase 2 drilling

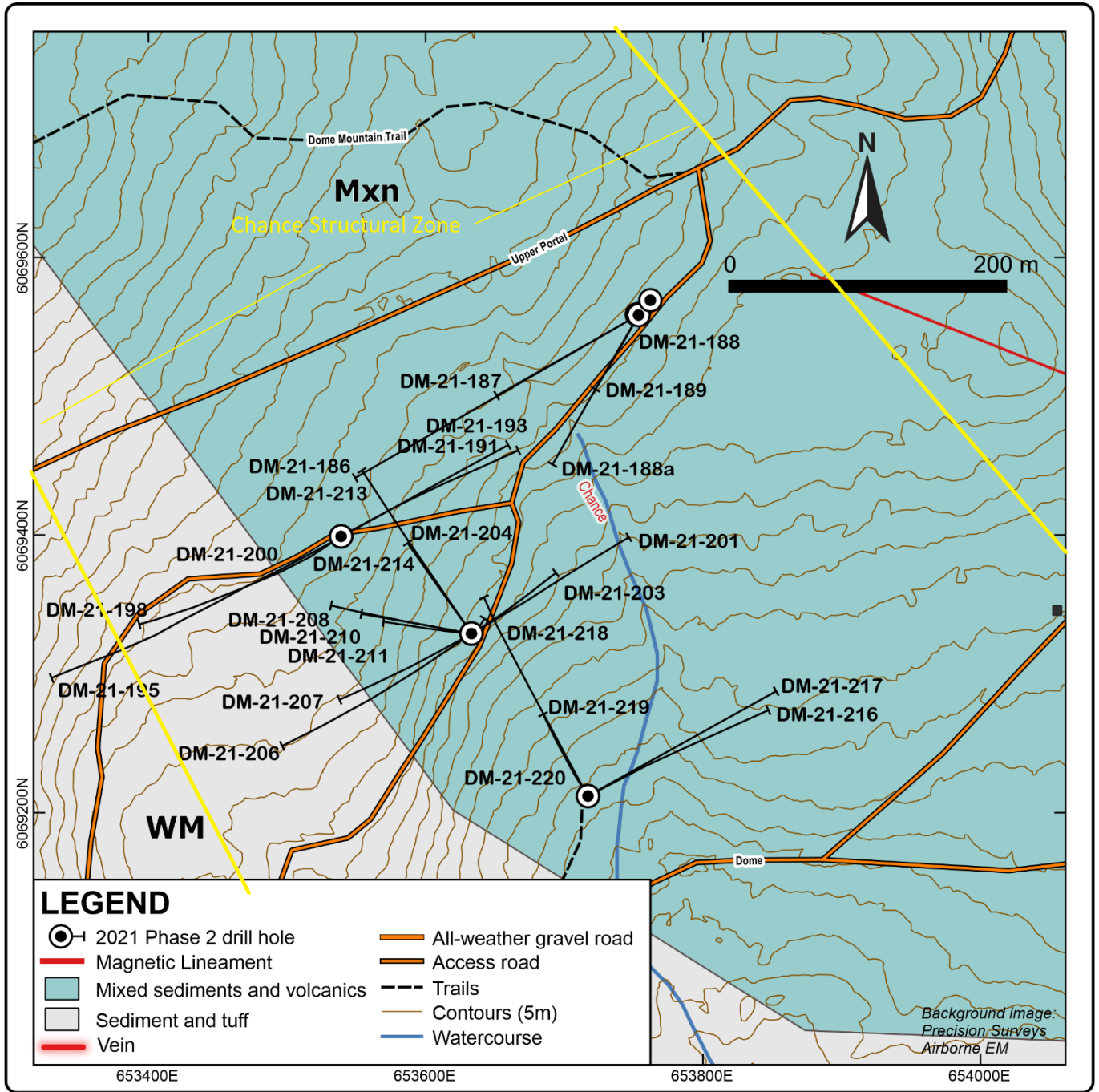


Figure 2 Map showing Phase 2 drilling to date in the Chance Structural Zone (background is generalized geology)

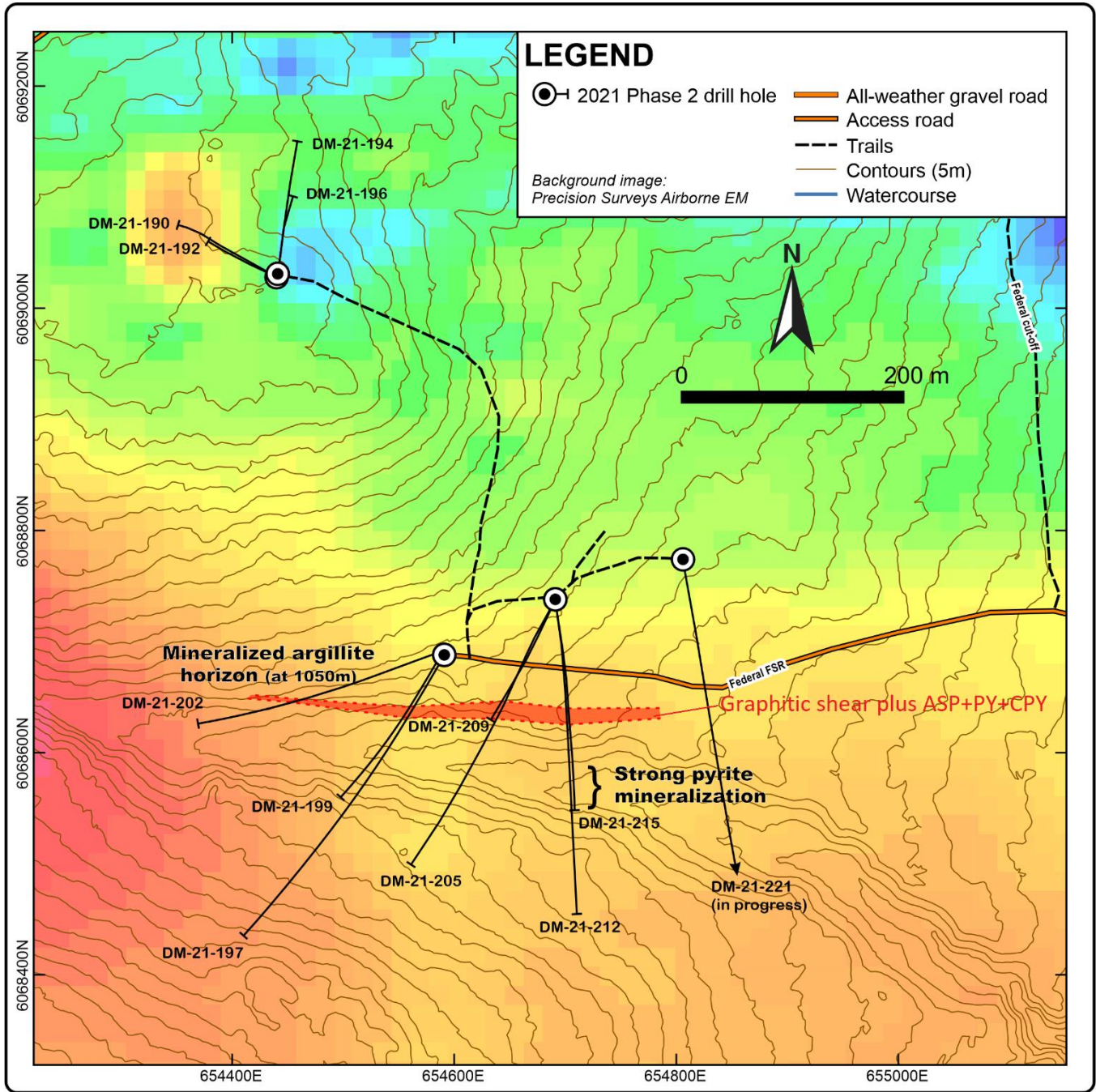


Figure 3 Map Showing Phase 2 drilling to date in the Federal Zone

## **QUALITY ASSURANCE AND CONTROL**

All core analyses were completed by Bureau Veritas out of Vancouver. Core selected for sampling was cut with a core saw in half with one half bagged for shipping. Strict chain of custody storing, and shipping protocol were maintained. Core was crushed, split, and pulverized with 250 grams passing 200 mesh. Each sample was analyzed by MA370 4-acid digestion ICP with ES finish and FA 150 fire assay with ICP-MS finish, and all Au overlimits >1ppm were analyzed with FA 550 fire assay and gravimetric finish. Standards and Blanks were inserted by Company staff. The sampling program was undertaken by Company personnel by and under the direction of Lorie Farrell P.Geol.

## **BIG ONION PROPERTY OPTION AGREEMENT**

The Company is also pleased to announce that it has entered into a property option agreement on the Big Onion Property with Gama Explorations Inc., a private BC company. Pursuant to the option agreement Gama may acquire a 100% interest in the property in consideration for the following cash and share payments to be made over a period of 48 months: \$500,000 in cash, 2 million common shares of Gama, and exploration expenditures of \$1.5 million on the property. The Company retains a net smelter returns royalty on the project of 1.125% currently held through Metal Mountain Resources Inc., a wholly owned subsidiary of the Company. The Big Onion Property is an exploration stage copper property that consists of thirteen contiguous mineral title claims located near Smithers, British Columbia. The Company and Gama have determined not to proceed on the previously announced sale of the Golden Wonder project to Gama. The Company continues to focus on the advancement of its Dome Mountain and Pellaire projects.

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

### **For further information, please contact:**

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*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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