

BLUE LAGOON 2023 PHASE 1 DRILLING RESULTS

DM-23-289 Adds 350 Meters of Strike Length to Boulder Vein

May 10, 2023– Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce final results from the 2023 Phase I drilling program on its year-round, road accessible, Dome Mountain Gold Project, located a short 50-minute drive from Smithers, British Columbia.

A total of 2909 meters of NQ diamond drilling was completed in ten (10) drill holes during the Phase 1 2023 campaign. Two of the ten holes were abandoned due to technical issues well before target depth and subsequently redrilled (Table 1). The first of these ten holes was focused on undercutting and following up on a significant intersection discovered during the 2022 drill program in drill hole DM-22-273 (see press release January 16, 2023). This intersection consisted of a wide zone of mineralized breccia and quartz-carbonate sulphide veining was intersected grading 5.49 g/t Au, 80.9 g/t Ag and 1.21% Cu over 16.55 meters (291.45 to 308.00m), including 11.02 g/t Au, 115.8 g/t Ag and 2.31% Cu over 5.65 meters (202.35 to 308.00m). This intersection was interpreted to represent the eastern extension of the Boulder Main vein.

Follow-up drilling this year set up on the same drill pad as hole DM-22-273 and targeted strike and dip extents at approximately 50 metres centers (Figure 1).

Table 1: Drill hole collar specifications

Hole ID	Location (UTM Zone 9 North)			Total Depth (m)	Orientation	
	Easting	Northing	Elevation		Azimuth	Dip
DM-23-285 (Abandoned and redrilled as 285A)	653552	6068474	1293	43.00	350	-58
DM-23-285A	653552	6068474	1293	581.00	350	-58
DM-23-286	653552	6068474	1293	362.70	338	-46
DM-23-287	653552	6068474	1293	359.00	338	-59
DM-23-288	653552	6068474	1293	358.50	5	-47
DM-23-289	653552	6068474	1293	367.70	3	-57
DM-23-290 (Abandoned and redrilled as 290A)	653552	6068474	1293	61.60	13	-46
DM-23-290A	653552	6068474	1293	316.20	16.4	-46
DM-23-291	653403	6068679	1300	205.60	6	-50
DM-23-292	653403	6068679	1300	253.50	67	-45

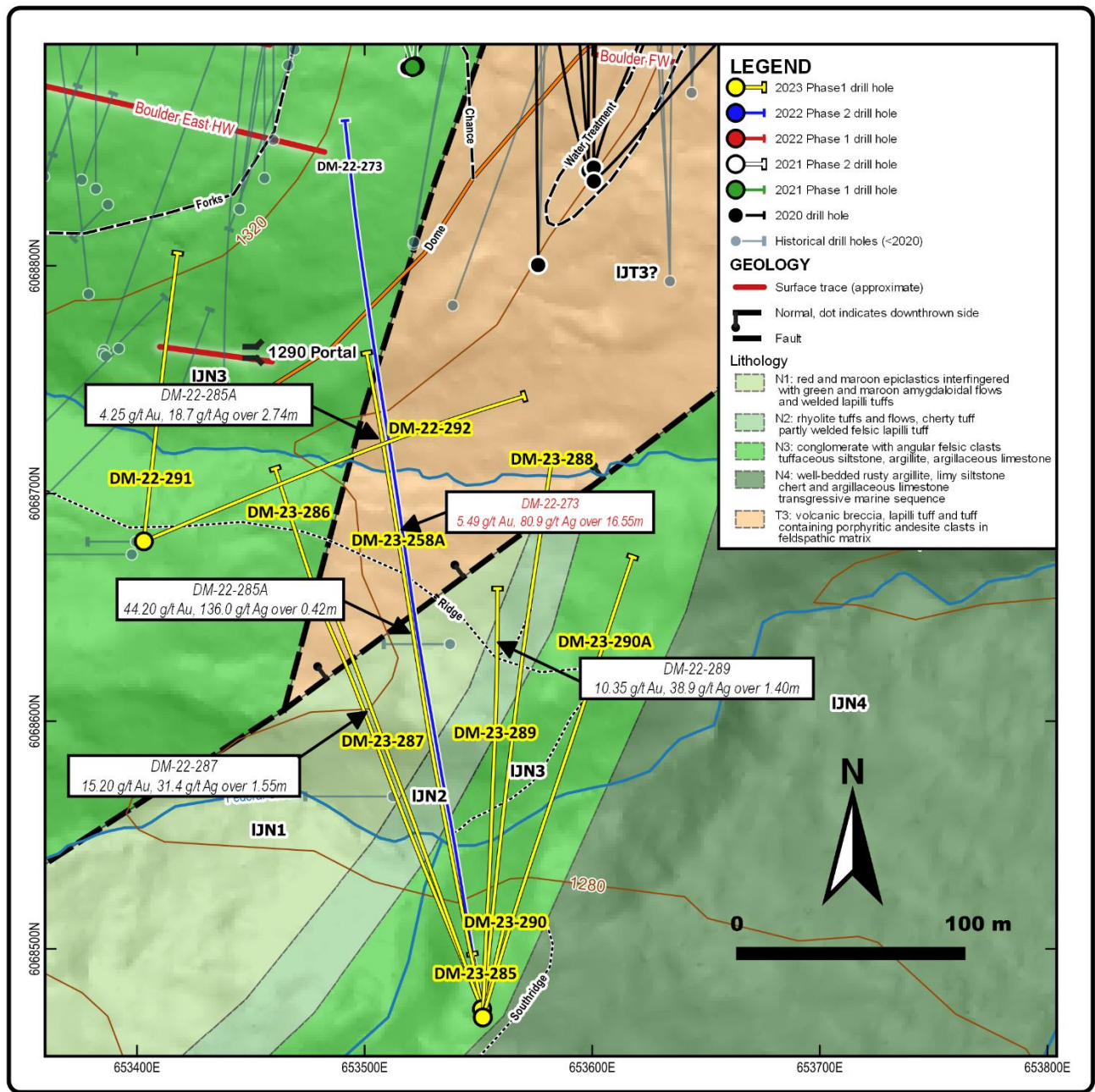


Figure 1

Table 2: Selected significant intersections, Boulder Main, eastern extension

Hole ID	Intersection (m)			Grade		
	From	To	Length	Au (g/t)	Ag (g/t)	Cu (%)
DM-23-285A	331.05	331.47	0.42	44.20	136.0	0.524
	491.00	492.00	1.00	1.31	12.1	0.059
	503.00	511.00	8.00	1.80	8.4	0.050
incl	504.60	507.34	2.74	4.25	18.7	0.095
	541.00	543.00	2.00	1.75	7.6	0.060
	546.00	548.95	2.95	2.39	10.8	0.057
DM-23-286	330.00	331.00	1.00	6.02	83.7	0.380
DM-23-287	309.55	311.10	1.55	15.20	31.4	0.147
DM-23-288	300.51	301.50	0.99	0.95	0.8	0.010
	302.54	303.77	1.23	0.97	7.4	0.033
	345.05	346.10	1.05	4.55	47.3	0.077
DM-23-289	339.00	340.40	1.40	10.35	38.9	0.108
<i>Incl</i>	339.84	340.40	0.56	25.10	93.0	0.248
DM-23-290A	267.00	267.34	0.34	7.64	30.6	0.167

NOTE: Insufficient information is available to determine true thicknesses.

The down-dip expression of the mineralization in drill hole DM-22-273 appears to be a narrow semi-massive sulphide bearing quartz vein (the Boulder Vein) in drill hole DM-23-285A. Precious metal grades here are 44.20 g/t Au and 136 g/t Ag and 0.52% Cu over 0.42 meters. Further down hole, a broader, but lower grade zone returned 1.80 g/t Au and 8.4 g/t Ag over 8.00 meters, including 4.25 g/t Au and 18.7 g/t Ag over 2.74 meters. Lower copper concentrations in this zone suggest it is not related to mineralization in DM-22-273 but may represent a zone of previously unrecognized mineralization in this structurally complex area.

Drilling on strike to the west, drill holes DM-23-286 and DM-23-287 intersected the mineralized Boulder Vein grading 6.02 g/t Au and 83.7 g/t Ag over 1.00 meters and 15.20 g/t Au and 31.4 g/t Ag over 1.55 meters, respectively.

To the east, drill hole DM-23-288 did intersect a zone of veining approximately 56 metres east at a similar depth as in hole DM-22-273, although the breccia was not developed in this location. Gold and silver grades were only weakly anomalous with a best of 1.48 g/t Au and 18.1 g/t Ag over 0.52 metres. Below this, two samples returned strong silver (and copper) values with concentrations of 97.2 g/t Ag (0.371% Cu) and 233 g/t Ag (1.640% Cu). These are related to narrow disseminated zones of a dark grey sulphide, identified as tennantite based on geochemistry. These zones are rather unique as compared to typical vein character and mineralogy of the Boulder Vein. Narrow tennantite veining was noted in the intersection in drill hole 273. Drill hole DM-23-289 drilled to undercut DM-23-238 intersected a deformed quartz - carbonate sulphide vein which returned 1.4 meters running 10.35 g/t Au, 38.9 g/t Ag and 0.108 Cu% (including 25.10 g/t Au and 93.0 g/t Ag over 0.56 meters). This intercept in the Boulder Vein is significant as it confirms 350 meters of additional strike length along the Boulder Vein east of the current resource model (see figure 2). Drill hole DM-23-290A, drilled to intersect the structure another 50 meters east, cut a narrow quartz-carbonate-sulphide vein grading 7.64 g/t Au and 30.6 g/t Ag over 0.34 meters.

Drill hole DM-23-291 was planned to test an interpreted area of the Boulder Main vein that was not included in the current vein model. A vein was intersected in historical drill hole D89-05 which graded 6.89 g/t Au and 41.6 g/t Ag within altered host rocks. Additional < 5g/t Au mineralization was selectively sampled within the alteration zone. Sampling of DM-23-291 only returned spotty low grade precious metal values within the expected zone. At depth, a better mineralized vein was encountered returning 3.52 g/t Au and 57.3 g/t Ag over 3.00 meters. It is unclear whether this vein represented the Boulder Footwall vein or may possibly be part of the Boulder East structures.

Though there is insufficient infill drilling at this time, it is reasonable to assume, based on drilling, that the strike length and down-dip extent of the Boulder Vein Resource could be doubled by infill drilling. The current resource (news release Feb 3, 2022) discloses a mineral resource of **45,000 Au and 250,000 Ag in the measured category, 173,000 oz Au and 876,000 oz Ag in the indicated category and 16,000 oz Au and 71,000 oz Ag in the inferred category.**

Class	Tonnes	Au Cap (g/t)	Ag Cap (g/t)	Au Oz	Ag Oz
Measured	136,000	10.32	57.31	45,000	250,000
Indicated	662,000	8.15	41.19	173,000	876,000
Inferred	85,000	6.02	26.13	16,000	71,000

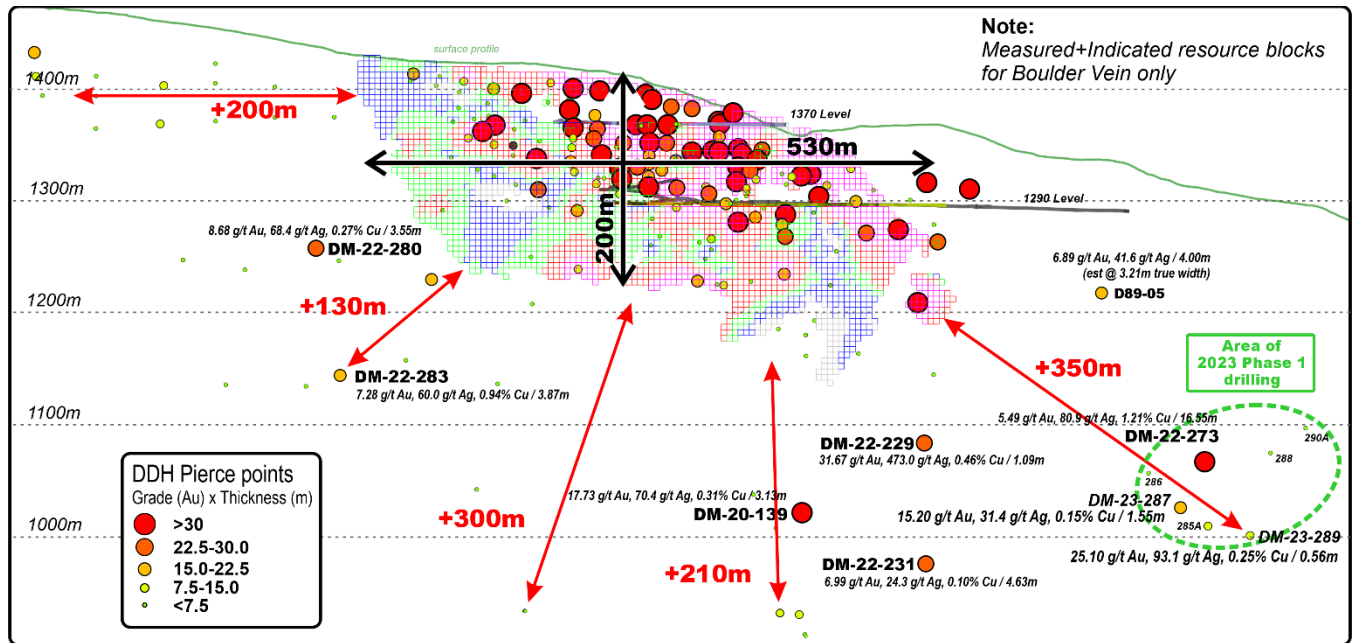


Figure 2 Long section showing existing Boulder Vein Resource (measured and indicated resource blocks) and recent drilling. Black arrows showing strike length and dip depth on the resource and red arrows show length along strike and down dip added by recent drilling. Area in green denotes 2023 Phase 1 drilling.

QUALITY ASSURANCE AND CONTROL

Core selected for sampling was cut in half with a core saw with one half bagged for shipping. Strict chain of custody storing, and shipping protocol was maintained. All core preparation and analyses were

completed by Activation Laboratories Ltd. located in Kamloops, BC. Core was crushed, split, and pulverized with 250 grams passing 200 mesh. Each sample was analyzed for gold by fire assay with ICP-OES finish (Act Labs Code 1A2-ICP) and for multi-elements by 4-acid total digestion ICP with OES finish. (Act Labs Code 1F2) Any gold overlimits (>30 ppm Au) were analyzed by gravimetric fire assay (Act Labs Code 1A3). Standards and blanks were inserted by Company staff. The drilling and sampling program was managed and supervised by Company personnel and under the direction of Ted Vanderwart, *P.Geo.*

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

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