
Blue Lagoon Highlights Phase One Program at Its Dome Mountain Gold Mine Project

April 28, 2020 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce that it is planning to move forward with a Phase One program at the Company’s Dome Mountain Gold Mine Project located a short 50 minute drive from the town of 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 annually plus a long term Milling and Mining Profit Share Agreement with Nicola Mining Inc., which operates a modern mill facility located near Merritt, B.C.

Phase One Timing and Goals

The Company’s Phase One program is designed to bring the Dome Mountain Mine project into compliance as per the required amendments to its existing Mine Permit (M-237) and initiate a Phase One in-fill drilling program designed to drill the already identified Inferred mineral resource domain with a focus to upgrade that resource into the Indicated category.

“From the very beginning when we started to look at acquiring the Dome Mountain Gold Mine, we identified 3 key amendments that were required to its existing mine permit that provides for the mining of 75,000 tonnes annually. We also knew that none of these items were onerous and it was simply a matter of focus, good planning and some capital,” said Rana Vig, President and CEO of Blue Lagoon Resources.

The in-fill drill program is expected to begin in May or June and be completed on or before the end of August 2020.

The Company has not made a production decision with respect to the Dome Mountain Gold Mine Project.

Key Amendments Required To Bring Mining Permit to Good Standing

Under the existing mine permit at the Dome Mountain Mine the Company is required to address three main tasks before mining can begin in accordance with the permit. These tasks include: completion of installation of the water treatment plant; completion of the Ground Control Management Plan and completion of an updated Reclamation and Closure plan.

Water Treatment Plant

The Company is currently in late stage discussions with Vancouver based Muddy Waters Technologies that has designed a state of the art electrocoagulation water treatment plan which is very efficient and with a minimum of generated sludge.

Ground Control Management Plans

The Company is in advance stage discussions with Cobra Mining for its Ground Control Management Plans which will include the installation of rock bolts within the first five hundred meters of the tunnel at the 1290 level; a vent raise to the 1370 level; and bolting at the 1370 level. The installation of a mine rescue station will also be included as part of this Ground Control Management Plan.

Reclamations and Closure plan

The Company is also in advance stage discussions with Environmental Resource Management (ERM) to finalize budgets and commence work on its Reclamations and Closure Mine Plan that will address the following required points:

- End Land Use and Capability Objectives
- Landform Design and Erosion Control
- Progressive Reclamation
- Trace Metal Uptake in Soil and Vegetation
- Treatment on Contaminated Soil
- A Liability Estimates
- Reclamation Approach
- Revegetation Strategy
- Reclamation Monitoring and Research
- Component Specific Reclamation Prescriptions
- Decommissioning of Wells

In addition to the Reclamation and Closure Plan, six other plans also need updating and ERM is also expected to be the lead contractor for this completion.

- Erosion and Sediment Control
- Sediment Handling Plan
- ML/ARD Management Plan
- Invasive Plant Management Plan
- Water Management Plan
- Sludge Management Plan
- Bat Management Plan

Completion of the above mentioned tasks will bring the Company into compliance with regards to its existing mine permit that provides for the mining of 75,000 tonnes annually.

Phase One Drilling

Blue Lagoon has also analysed its existing drill data from the Dome Mountain Mine database and has determined that a Phase One drill program would benefit the overall robust nature of the existing resource. A 2,500-meter drill program has been designed and is expected to begin in June 2020. 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 designed to infill along and in an already defined Inferred resource domain with planned intercepts designed to be within 30 meters area of influence such that the Inferred resource can be upgraded to Indicated. The goal of the drill program will be to upgrade a portion of the inferred mineral resource based on location.



Preliminary Economic Assessment (PEA) Report Update

Roughstock Mining has been working diligently on the PEA announced by the Company on April 23, 2020. The work on the report is on track, with results expected to be announced during the week of May 4th 2020.

The scientific and technical data contained in this news release was prepared and reviewed 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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