

BLUE LAGOON RESOURCES INC.

NEWS RELEASE

BLUE LAGOON SIGNS LETTER OF INTENT TO ACQUIRE 100% INTEREST IN PELLAIRE GOLD PROPERTY

August 6, 2019 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (“Blue Lagoon”) (CSE: BLLG) is pleased to announce that it has entered into a non-binding letter of intent executed July 31, 2019 with ASIC Mining Inc. that sets out the terms pursuant to which Blue Lagoon may acquire all of the issued and outstanding common shares of ASIC. ASIC is a private Canadian company that holds an option to acquire a 100% interest in the Pellaire gold property located in the Clinton Mining Division of British Columbia (the “Property”).

The Property is comprised of 13 mineral claims covering 4,425 hectares located approximately 160km south-west of Williams Lake and just south of the Upper Taseko Lakes. The Property, which is accessible by road, has a long history since gold and silver bearing quartz veins were discovered in 1936. Ten mineralized mesothermal Gold-Silver-Telluride quartz veins hosted within the Upper Cretaceous Southeastern Coast Belt have been identified to date. Underground work and bulk sampling has identified vein strike lengths of at least 350 meters with down dip extents of at least 200 meters.

Recent exploration, underground mining and bulk sampling at the Property from 1997-2000 focused on a “mining first” objective with very little work committed to identifying or expanding the known mineralized areas. Results of the work to date show the Pellaire property has excellent potential to significantly expand the known gold-silver mineralization areas and to establish a mineral resource.

Additional information on the Property will be provided upon the company completing its technical due diligence.

Summary of ASIC Option to Acquire Pellaire Property

ASIC can earn a 100% interest in the Property by paying an aggregate of \$325,000 (USD) in cash and issuing 800,000 common shares to the property vendors, and incurring at least \$500,000 (USD) in expenditures on the Property over a period of 4 years from the date ASIC completes a going public transaction or is otherwise acquired by a public company. Upon exercise of the option, the property vendors will be entitled to a 2.5% net smelter return royalty, of which 2.0% may be repurchased by ASIC for a purchase price of \$2 million. In addition, prior to the exercise of the option, the property vendors are entitled to a 10% pre-production net smelter return royalty from mineralized material currently stock-piled on the property, or bulk sampling activity.

Terms of Letter of Intent between Blue Lagoon and ASIC

Pursuant to the letter of intent, Blue Lagoon may acquire all of the issued and outstanding common shares of ASIC in exchange for the issuance to the ASIC shareholders of 11,600,000 common shares of the Company, on a post 4:1 share split basis. Closing of the Share Exchange is subject to various conditions, including completion of technical and other due diligence, the parties entering into a binding agreement, Blue Lagoon completing a split of its common shares on a 1 existing share for 4 post-split shares basis, and compliance with stock exchange requirements.

The technical information contained in this news release has been reviewed and approved by William Cronk, P.Geo., consultant to ASIC, who is a qualified person as defined under National Instrument 43-101.

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.

Certain information contained herein constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to: the entering into a definitive agreement and completion of the

acquisition of ASIC. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “intends”, “believes”, “plans to”, “expects” or “it is expected”, or variations of such words and phrases or statements that certain actions, events or results “will” occur. Forward-looking statements are based on information as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, to be different, including due to: the receipt of all necessary regulatory approvals, the ability to conclude the Share Exchange, capital expenditures and other costs, and financing and additional capital requirements. Readers should not place undue reliance on forward-looking statements and forward looking information. Blue Lagoon does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.