

BLUE LAGOON ANNOUNCES COMPLETION OF \$7.5 MILLION PRIVATE PLACEMENT

August 12, 2020 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce that it has completed a private placement (the “Private Placement”) of 21,496,301 units (“Units”) at a price of \$0.35 per Unit for aggregate gross proceeds to the Company of \$7,523,706. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.50 per share for a period of 24 months from the closing date. The expiry date of the warrants may be accelerated in the event the closing price of the common shares of the Company on the Canadian Securities Exchange is equal to or greater than \$0.75 for a period of 10 consecutive trading days, in which case the warrants will expire 30 days from the date the Company provides an acceleration notice to the warrant holders.

Proceeds of the Private Placement will be used for exploration activities to expand and upgrade known mineralization and resource areas on the Company’s Dome Mountain gold project, as well as for completing the permitting requirements of the existing underground mine, in addition to general working capital purposes.

The Company has agreed to pay a finders fee in cash equal to 7% of the gross proceeds from the sale of Units to third parties sourced by the finders as well as warrants to purchase that number of common shares of the Company equal to 7% of the number of Units sold to third parties sourced by the finder. The finder’s warrants may be exercised to acquire common shares of the Company at a price of \$0.50 per common share for a period of 24 months from the date of closing and are otherwise on the same terms as the Private Placement warrants.

The securities issued pursuant to the Private Placement are subject to a hold period of four months and one day in accordance with applicable securities laws.

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.