

BLUE LAGOON RESOURCES INC.

**CSE: BLLG
FSE: 7BL
OTC: BLAGF**

NEWS RELEASE

**Blue Lagoon Signs Option on Gordon Lake
High Grade Gold Property, NWT**

Vancouver, British Columbia December 9, 2019 - Blue Lagoon Resources Inc. (“**Blue Lagoon**” or “**Company**”) (CSE: BLLG; FSE:7BL; OTC: BLAGF) is pleased to announce that it has entered into an option agreement with Exgen Resources Inc. (“**Exgen**”), a TSXV listed company, pursuant to which the Company may acquire an 80% interest in the Gordon Lake gold property located in the Northwest Territories of Canada.

ABOUT THE GORDON LAKE PROJECT

The Gordon Lake gold property consists of 2 contiguous mineral leases located 110 kilometers northeast of Yellowknife in the Northwest Territories of Canada

The Gordon Lake Property is located on NTS sheet 085P/06 in the Northwest Territories, Canada. It is centered about 63° 17' N latitude and 113° 02' W longitude or UTM 397979 E 7018543 N (NAD83, Zone 12) (Figure 1). The claim group lies in the Mackenzie Mining District and covers ground at the north end of Gordon Lake. This is an area associated with turbidite-hosted gold occurrences approximately 115 km northeast of Yellowknife, NT. The property covers 1505 acres centered about 2200 meters north of Gordon Lake.

Access is by helicopter and ski- or float-equipped aircraft in the winter or summer. A maintained winter road, which traverses Gordon Lake to service the diamond mines to the north, is commonly operational from the third week in January to the third week in March. This winter road traverses through the eastern portion of the property and provides truck accessibility during the winter road season. A 3 kilometer long bush road joins the Main Zone at Ven Lake with the winter road.

The most recent technical report on the property was completed by Boxxer Gold Corporation* in 2011 (now Exgen). This report highlights 17 zones of high-grade shear hosted gold mineralization (only three of which have been drill tested), over a 1 kilometer strike length (generally North to South), and have been identified by geophysical surveys (2004 and 2011 MAG and IP, and 2010 Airborne MAG) and 97 drill holes (total of 7313.8 meters) drilled in 1983, 1988 and 2005.

The gold-bearing quartz veins of Gordon-Ven Lake are classified as Coarse Gold-bearing veins occurring in metatubidite hosted mesothermal vein systems.

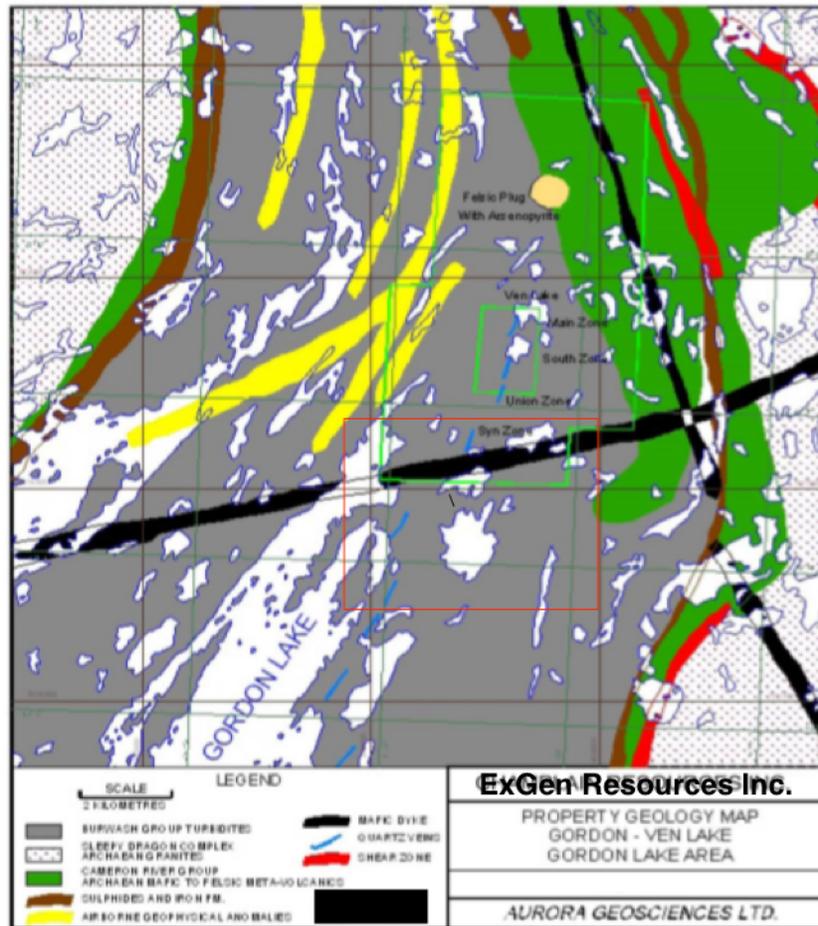


Figure 1

INITIAL WORK PLAN

Blue Lagoon expects to immediately begin a work phase consisting of project level compilation, GIS update and assessment including a 2020 Phase One drill program. The Company plans to make use of the ice road from Yellowknife this winter and drill select targets in a phase one program beginning in late January 2020.

The scientific and technical data contained in this news release was prepared and reviewed by William Cronk, P.Geo., a non-independent qualified person to the Company. Mr. Cronk is responsible for ensuring that the geologic information provided in this news release is accurate and acts as a qualified person pursuant to National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

OPTION TERMS

Pursuant to the option agreement, the Company may acquire a 80% interest in the Property by incurring \$250,000 in exploration expenditures during the first year of the option, paying \$100,000 in cash and issuing 100,000 shares of the Company to Exgen over a period of two years, paying a further \$50,000 per year until the commencement of commercial production, and issuing a further 650,000 shares of the Company upon achieving certain milestones as follows: 100,000 shares upon obtaining a NI 43-101 technical report

establishing a resource estimate; 200,000 shares upon obtaining a further technical report establishing economics on the property, and 350,000 shares upon commencing commercial production. In addition, upon exercise of the option, Blue Lagoon will grant Exgen a 2.5% net smelter return royalty, with all prior cash payments being credited towards royalty payments.

The option agreement is subject to stock exchange approval as applicable to each of Blue Lagoon and Exgen.

For further information, please contact:

Rana Vig
President and Chief Executive Officer
Telephone: 604-218-4766
Email: ranavig@gmail.com

**Source: NI 43-101 Report Gordon-Venn Lake Property Technical Report – Aurora Geosciences Ltd. June 29, 2011.*

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

Statement Regarding Forward-Looking Information: This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that Blue Lagoon Resources Inc. (the "Company") expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include results of exploration activities may not show quality and quantity necessary for further exploration and exploitation of minerals deposits, market prices, and continued availability of capital and financing, permitting and other approvals, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.