BLUE LAGOON MOVES FORWARD WITH MINING PERMIT AMENDMENT PROCESS ON ITS DOME MOUNTAIN GOLD PROJECT – EXPLORATION DRILLING CONTINUES

September 23, 2020 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce that, in addition to its ongoing current drill program, the Company has started work on the amendments required pursuant to its mining permit on its Dome Mountain Gold Project (“Dome Mountain”).

Dome Mountain, an all year road-accessible project located a short 50-minute drive from Smithers B.C., holds both an Environmental Management Act Permit (EMA) and a Mining Permit providing for up to 75,000 tonnes production annually. In addition, the property has 15 known high grade gold veins (see the Company’s news release dated May 4, 2020) with nearly 90% of the 11,290 hectare property yet to be explored.

“From the very beginning when we started to consider acquiring the Dome Mountain Gold Mine, our due diligence confirmed that there were two key opportunities with this project. Firstly, an opportunity to explore and define the 15 known high-grade gold-silver veins on the property; and secondly, the potential to advance the Dome Mountain mine by completing the required amendment work under the existing mining permits,” said Rana Vig, President and CEO of Blue Lagoon Resources. “Having recently raised more than $7.5 million and managing the company to ensure that it’s debt free, I’m very pleased that the Company is in a great position to pursue both of these opportunities in an unprecedented gold market,” he added.

KEY AMENDMENTS REQUIRED AND IN PROGRESS

The following three key tasks (amendments) must be completed by the Company as the next steps to meet permit conditions:

- Completion of the Water Treatment Plant (“WTP”) and water chemistry trials.
- Completion of the Ground Control Management Plan.
- Update the Reclamation and Closure plan.

The Company will evaluate a production decision once all permit requirements are in place. Any production decision in advance of obtaining a feasibility study of mineral reserves demonstrating economic and technical viability of the project is associated with increased uncertainty and risk of failure.

AGREEMENT WITH LEADING WATER TREATMENT TECHNOLOGY COMPANY SIGNED

An agreement with Muddy River Technologies of Delta B.C., an innovative water technology company led by Dr. Rob Stephenson, one of the leading experts in the field, has been signed and the work required
on completing the existing Water Treatment Plant has begun. The full scope of work on the project will take approximately 16 weeks and includes the following:

1. Site visit and collection and analysis of surface water (completed).
2. Full scale test equipment preparation.
3. Full scale test equipment installation and modification of existing Water Treatment Plant.
4. Full scale testing and report; regulatory approval to proceed with permanent upgrade.
5. Permanent upgrade equipment installation, training and routine WTP operations.

**AGREEMENT FOR GROUND CONTROL MANAGEMENT PLAN SIGNED**

An agreement for the Ground Control Management Plan has been signed with Smithers, B.C. based Cobra Mining, a local firm familiar with the Dome Mountain project. The scope of work includes underground work consisting of bolting on 650m of drift from the portal to the face on the 1270 level and installation of a secondary emergency egress from the 1270 level to the 1370 level.

Cobra Mining has worked on the Dome Mountain Gold Mine in the past and is currently at the mine site with their team and work on the underground bolting has started.

The Company expects this portion of the amendment work to be completed in the next 90 days or less.

**AGREEMENT WITH GLOBALLY BASED ERM SIGNED**

The Company has chosen, and executed an agreement with ERM Consultants Canada, a part of the ERM Group Inc., a leading global provider with a footprint in 40 countries and territories, that specializes in environmental, health, safety, risk, social consulting and sustainability services. ERM will fulfil one of the key amendment requirements to update and complete the five-year Reclamation and Closure Plan and will update the following existing plans:

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

The Company expects this portion of the amendment work to be completed in the next 20 weeks.

**ON GOING SITE ACTIVITY AT DOME MOUNTAIN**

The Dome Mountain Mine site is a decidedly active project at this time.

Activity on the property at this time is as follows:

- Planned 2800 Meter drilling continues, with first results expected on or before September 30, 2020.
• All heavy mining equipment has been removed from the underground tunnel and is currently undergoing maintenance and inspection and being readied for use.

• Underground bolting work has started and is expected to be completed in the next 90 days.

• Electrical systems are undergoing inspection, and where necessary, upgrading is taking place on power generators, mine fans, and panels.

• All fuel tanks have been inspected and filled.

• Water samples have been collected and sent to the appropriate lab for analysis and recording.

• Keeping with health & safety standards, an Emergency Transport Vehicle has been purchased to be available at the mine site 24/7.

• All communication protocols have been re-assessed and reviewed. Upgrading, where necessary, has been commissioned.

The scientific and technical data contained 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.

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.

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