

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**1. NAME AND ADDRESS OF COMPANY**

Blue Lagoon Resources Inc.  
c/o #1200 – 750 West Pender Street  
Vancouver, BC V6C 2T8

**2. DATE OF MATERIAL CHANGE**

July 15, 2021

**3. NEWS RELEASE**

News release dated July 15, 2021 was disseminated via Accesswire.

**4. SUMMARY OF MATERIAL CHANGE**

Blue Lagoon completes \$8.13 Million Private Placement

**5. FULL DESCRIPTION OF MATERIAL CHANGE**

Blue Lagoon Resources Inc. (the “**Company**”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) announced that further to its news release dated July 8, 2021, the Company has closed a non-brokered flow through and non-flow through financing for proceeds of \$8,130,908.31. Crescat Capital LLC (“**Crescat**”) was the lead order and made a strategic investment of \$1.5 Million, representing more than 18% of the total financing. In addition, Crescat requested and secured, participation rights that provide for an option to participate in all future financings.

The private placement (the “**Private Placement**”) consisted of 4,761,154 charity flow-through units (“**Charity Units**”) at a price of \$0.7425 per Charity Unit, 609,758 regular flow-through units (the “**FT Units**”) at a price of \$0.82 per FT Unit, and 7,446,818 non-flow-through units (the “**NFT Units**”) at a price of \$0.55 per NFT Unit, for aggregate gross proceeds to the Company of \$8,130,908.31. Each of the units 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 \$0.75 per share in the case of the Charity Units and the NFT Units, or \$1.10 per share in the case of the FT Units, until July 15, 2023.

Proceeds from the sale of the Charity Units and FT Units will be used for exploration activities in accordance with flow-through tax rules. Proceeds from the sale of the NFT Units will be used for exploration as well as for general working capital purposes.

The Company paid finders’ fees in cash in the aggregate amount of \$171,863.08, equal to 7% of the gross proceeds from the sale of Units to certain third parties sourced by the finders and issued an aggregate of 202,199 finders’ warrants to purchase that number of common shares of the Company, equal to 7% of the number of Units sold to those third parties. The finder’s warrants may be exercised to acquire common shares of the Company at a price of \$0.75 per common share until July 15, 2023 and are otherwise on the same terms as the Private Placement warrants. 42,683 finder’s warrants are exercisable at a price of \$1.10 per common share until July 15, 2023.

The securities issued pursuant to the Private Placement are subject to a statutory four month hold period ending on November 16, 2021 in accordance with applicable securities laws.

The Company has granted a total of 960,000 stock options to directors, employees, and consultants of the Company in accordance with the Company's stock option plan. Each option is exercisable into one common share of the Company at a price of \$0.70 per share. The options vested on grant and will expire on July 15, 2026. The stock options are subject to the acceptance of the Canadian Securities Exchange (CSE).

The securities referenced in this material change report have not and will not be registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

**6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**7. OMITTED INFORMATION**

Not applicable.

**8. EXECUTIVE OFFICER**

Rana Vig, President and CEO  
Telephone: (604) 218-4766

**9. DATE OF REPORT**

July 22, 2021