
**Blue Lagoon Signs Letter of Intent to Acquire
Metal Mountain Resources Inc.**

Vancouver, British Columbia – February 25, 2020 - **Blue Lagoon Resources Inc.** (“**Blue Lagoon**” or the “**Company**”) (CSE: BLLG; FSE:7BL; OTCQB: BLAGF) is pleased to announce that it has signed a non-binding letter of intent to acquire 100% of the outstanding shares of Metal Mountain Resources Inc. (“Metal Mountain”), a private British Columbia company. Metal Mountain holds a 50.84% interest in Gavin Mines Inc. (“Gavin Mines”), which in turn holds a 100% interest in the Dome Mountain Mine located near the town of Smithers in northwest British Columbia. Metal Mountain also holds a 100% interest in the Big Onion Property, also located near Smithers. Blue Lagoon has separately entered into a binding letter of intent with AGC Investments Inc. (“AGC”), a private company which holds a 27.44% interest in Gavin Mines, whereby Blue Lagoon may acquire AGC’s interest on closing of the acquisition of Metal Mountain.

With the acquisition of Metal Mountain’s 50.84% interest and AGC’s 27.44% interest, Blue Lagoon will hold a total of 78.28% interest in the Dome Mountain Mine.

Pursuant to the letter of intent with Metal Mountain, the Company is proposing to issue approximately 12.15 million shares in exchange for the shares of Metal Mountain. Pursuant to the letter of intent with AGC, Blue Lagoon would issue a further 1,372,000 shares in exchange for AGC’s interest in Gavin Mines, subject to certain terms and conditions being met as set forth in the letter of intent.

THE DOME MOUNTAIN MINE

The Dome Mountain Mine includes a past producing mine on tenures consisting of 42 contiguous mining claims and one mining lease totaling 10,970 hectares, located approximately 38 kilometers east of the town of Smithers in northwest British Columbia. Expenditures on the mine by past operators, including Gavin Mines, Timmins and Noranda, have totaled in excess of \$68 million, \$28 Million of which was spent by Gavin in the past 12 years. Mine permitting and significant infrastructure construction and underground development was completed on the mine between 2010 and 2012, including about 75% of the planned underground development necessary for commencing production from the site. The Dome Mountain Project holds a Mining Permit and Environmental Management Act Permit (EMA) providing for up to 75,000 tonnes annually.

The following provides a summary of the infrastructure and underground development completed during that period:

- Mine dry/office building
- Electrocoagulation water treatment plant
- Water and sewer for all surface facilities
- Pipelines system for mine water
- Mechanics shop
- Electrical work into the mine
- Fuel storage and distribution system
- Major earthwork projects completed
- Underground development

The Dome Mountain area has a long history of exploration that resulted in the discovery of numerous gold bearing quartz-carbonate veins. Gold mineralization was first located on the property in the late 1800s and considerable surface and underground work was done in 1923-24. Resumption of exploration in the 1980s led to the discovery of the Boulder Vein system in 1985. Underground mining was initiated in August 1991 by Timmins Nickel Inc. and its joint venture partner, Habsburg Resources Inc. and ceased in May 1993. During this period 43,900 tonnes at an average grade of 12.0 grams per

tonne gold were reportedly mined from shrinkage stopes accessed from trackless drift developments on the 1290 and 1370 levels.

THE BIG ONION PROPERTY

The Big Onion is a porphyry copper project located 16 kilometres east of the town of Smithers and consists of 13 contiguous mineral claims comprising a total area of 4,493 hectares. Following a total of 218 drill holes totaling 41,010 meters a NI 43-101 resource report dated May 31, 2009 was prepared by Giroux Consultants Ltd.

The Company will provide additional technical information on the Dome Mountain Mine and the Big Onion Project in a subsequent news release pending completion of the Company's technical review of the projects.

LETTER OF INTENT

Pursuant to the letter of intent with Metal Mountain, the Company and Metal Mountain are proposing a business combination whereby the Company would acquire 100% of the issued shares of Metal Mountain in exchange for approximately 12.15 million shares of the Company. The shares will be subject to voluntary pooling for an initial 12 month period from closing, and thereafter will be released from pool in periodic installments over a further 18 months. Closing of the transaction is subject to various conditions, including any required stock exchange approvals, shareholder approval of Metal Mountain, and completion of due diligence investigations. The parties have agreed to work towards settlement of a definitive agreement.

Pursuant to the letter of intent with AGC, the Company has the right to acquire AGC's interest in Gavin Mines in exchange for 1,372,000 common shares of Blue Lagoon and a \$25,000 cash payment. Closing of the acquisition of AGC's interest in Gavin Mines is subject to stock exchange approval, Blue Lagoon completing legal and technical due diligence on Gavin Mines, as well as customary conditions.

The scientific and technical data contained in this news release was prepared and reviewed by William Cronk, P.Geo., a qualified person as defined in NI 43-101 and a consultant to the Company.

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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.

