
Blue Lagoon Outlines Exploration Potential On Its Dome Mountain Project

May 4, 2020 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to provide shareholders and investors further information on the exploration potential on its high-grade gold property – the Dome Mountain Gold Mine Project (“the Property”), located a short 50 minute drive from the town of Smithers, in northwestern British Columbia.

The Property consists of 41 contiguous claims and one mining lease and offers a near term opportunity to drill already defined high grade gold targets. Drilling these targets would serve to expand the mineralized deposit area that would be included in a mineral resource estimation, as well as infill between previous drill holes to better define the high-grade vein systems. All of the vein targets located within the Dome Mountain Project Property are mesothermal, orogenic, quartz-carbonate-sulphide veins that occur within folded fragmental volcanic rocks of the Telkwa Formation (lower Jurassic) and amygdaloidal basalts and altered volcanic rocks of the Nilkitkwa Formation.

Priority Vein Targets For Further Exploration Include:

- **The Boulder Vein Resource.** The Boulder vein(s) is the most developed vein at Dome Mountain. It is open at depth and along strike to both the east and to the west. Step-out drilling in 2016 hit the Boulder Vein 400m west of the current mine face. Infill drilling is planned to bring to increase confidence on the definition, quantity and grade of the gold mineralization within the vein. The company is currently designing this infill program and is expected to start on the drill program sometime in June 2020.
- **The Forks Gold Veins:** Located 500 meters south of the Boulder Veins gold deposit.
 - From 1985-87 work done by Noranda included 16 diamond drill holes on the Forks Gold target and outlined a historical resource of 20,000 tonnes at a grade of 23.6 g/t gold and remains open along strike and at depth (BCGS Geological Fieldwork 1986, Paper 1987-1, Page 212, Babine Project), (Roscoe Postle Associates Inc., Dec 20, 1993, Report on Dome Mountain Project for Habsburg Resources Inc., Page 19).
 - The Forks Gold target is a flat lying, sheared and altered quartz breccia vein structure with a thickness of up to 12 meters. This vein structure is open along strike and at depth.

The Company is not treating the above historical estimate at the Forks gold veins to be a current mineral resource as defined in NI 43-101. The Company has conducted only a preliminary technical review on historical data at the Forks Gold Veins, and a Qualified Person has not conducted the work necessary to classify the historical estimate as a current mineral resource. Based on a preliminary technical review, the Company considers the information relevant and reliable, however additional drilling will be required in order to fully verify historical drill results and to potentially establish a current mineral resource.

- **Free Gold Veins and Adits:** The Free Gold Veins, like the Forks Veins are a story of their own, lying on the east side of the Dome mountain at 1250-meter elevation. The Free Gold Veins contain 5 major and many smaller quartz veins steeply northwesterly dipping, and up to 2 meters in width.
 - The Free Gold Vein contains native gold.

- One of the many bulk samples from the Free Gold Veins taken over the years was a 286-tonne bulk sample taken in 1981 that averaged 47.3 grams per tonne gold. Canada Department of Mines and Resources processed another bulk sample of 680 pounds in 1938 (Minister of Mines BC 1938). The sample averaged 61 grams per tonne (1.78 ounces per ton) gold and 75 grams per tonne silver, 1.54% lead, 5.87% zinc, and 0.15% copper.
- Minute grains of native gold occur in galena and chalcopyrite micro veinlets that cut and heal shattered pyrite.
- Historic sampling data available from exploration on the Free Gold vein provided the following results:
 - The weighted average of 31 samples collected over 23 meters on the northeast drift of vein number 3 was 27.2 grams per tonne gold, 28.3 grams per tonne silver and 1.35% zinc.
 - The southwest drift averaged 58.7 grams per tonne gold, 60.1 grams of silver, 6.1% zinc and 2.08% lead from 13 samples collected over 12 meters.
 - This vein was also sampled on surface over 61 meters and averaged 70.5 grams per tonne gold and 94.1 grams silver. (Part of this vein has since been mined in an open surface cut).

The above sampling results were obtained from available records from sampling work conducted by a previous operator. A qualified person has not verified the above sampling results on behalf of the Company. The Company is at an early stage of reviewing available data from past exploration activity by prior operators, and has not yet finalized plans for conducting verification work through additional sampling and testing.

Additional Dome Mountain Property Gold vein targets include:

- 1) **The Cabin Vein:** Was found to be in continuation to the Boulder vein system. Underground veins samples collected contained up to 20.9 grams per tonne gold.
- 2) **Elk Vein:** An east-west trending structure 360 meters south of the Boulder vein that has had four holes drilled of which one intersected 0.287 oz/ton gold over 1.7 meters of quartz vein containing pyrite and sphalerite (Roscoe Postle Associates Inc., 1993).
- 3) **9800 Vein:** Vertical drill holes collared north of the showing intersected narrow quartz carbonate veins with relatively low gold and silver values. Subsequent trenching of the showing exposed spectacular high-grade mineralization. Drilling has shown that the Forks and 9800 are part of the same vein system. In 1986, 50.8 tonnes of hand cobbled ore grading .88 oz/ton gold and 22.6 oz/ton silver were shipped from this showing (Roscoe Postle Associates Inc., 1993).
- 4) **Hawk Veins:** Two holes drilled intersected 8 veins returning values of 12.5 g/t gold and 385 g/t silver over .3 meters.
- 5) **Gem Veins:** Up to 4 parallel quartz veins were exposed 170 meters along strike from the Hawk veins. Grab samples collected to date range from 7.6 g/t to 128 g/t gold.
- 6) **Chisholm-Jane Vein and Zone:** One vein outlined over 30 meters strike length with drill intersections of 3.5 g/t gold over .25 meters; 6.0 g/t over 1.4 meters; and 8.32 g/t over .40 meters.
- 7) **Jane Adit:** Contains high values around the south end of the Jane adit ranging from 4.6 g/t gold to 58 g/t gold and is open to the south.

- 8) **The Creek Vein:** 1,000 meters west of the Boulder Vein, 2 samples returned lower values in gold grading 3.8 g/t gold and 3.0 g/t gold respectively..
- 9) **Hoopes Vein:** Shallow trenches at the Hoopes Zone expose a 20-meter-wide sheared flat lying quartz breccia vein with heavy sulphide disseminations-pyrite, sphalerite, and galena mineralization with samples grades ranging to 14.4 g/t gold.
- 10) **Ptarmigan Veins:** 500 meters northwest of the Eagle vein on the north slope of Dome Mountain containing 4 parallel veins. . Underground sampling returned values of 13.7 grams per tonne gold. Also, very high- grade samples ranging from 7.6 g/t gold to 75 g/t gold.
- 11) **Raven Vein:** Southwest of the grid area on the northwest facing slope near the top of the Dome Mountain has very high sample values of 17.8 g/t gold and 99 g/t gold. Two short adits on the vein were driven and sampled with values up to 34 grams per tonne.
- 12) **Hawk Veins:** 1,500 meters south of Boulder Vein Deposit and a possible extension of the Ptarmigan vein had values of 4.1 g/t gold. In 1922, Gaul (BC Minister of Mines) reports a well mineralized sample collected from one of the veins contained 44.6 grams per tonne gold and 343 grams per tonne silver.
- 13) **Chance Vein:** 750 meters southwest of the Freegold veins, located in the bed of the Camp Creek. In 2006 Gavin Mines drill hole (DM09-046) intersected 0.6 meters of argillite grading 17.84 g/t gold, 14.0 g/t silver and 6.72% zinc. The intersection may represent a syngenetic style of mineralization that has not been encountered before on the Dome Mountain Project.
- 14) **Eagle Vein:** 275 meters northwest of the Gem vein. Gaul (1922) sampled across 20 centimeters and returned assays of 38.4 grams per tonne gold and 24 grams per tonne silver.
- 15) **Pioneer Vein:** The vein extends for 500 meters and ranges to .9 meters wide. In early 1900 a 16-meter adit was driven into the vein with grades of 3.03 grams gold and 123 grams per tonne silver together with high values in zinc and copper. An historic drill program intersected 11.7 grams g/t gold and 36.9 g/t silver over 2.5 meters.

The above samples were obtained from historical records available to the Company from work conducted by prior operators. A qualified person has not verified the above sampling data on behalf of the Company. The Company is at an early stage of reviewing available data from past exploration, and has not yet finalized plans for conducting verification work through additional sampling and testing. Note that many of the above samples are grab samples, and as such are selected samples and are not representative of the mineralization hosted on the property.

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.

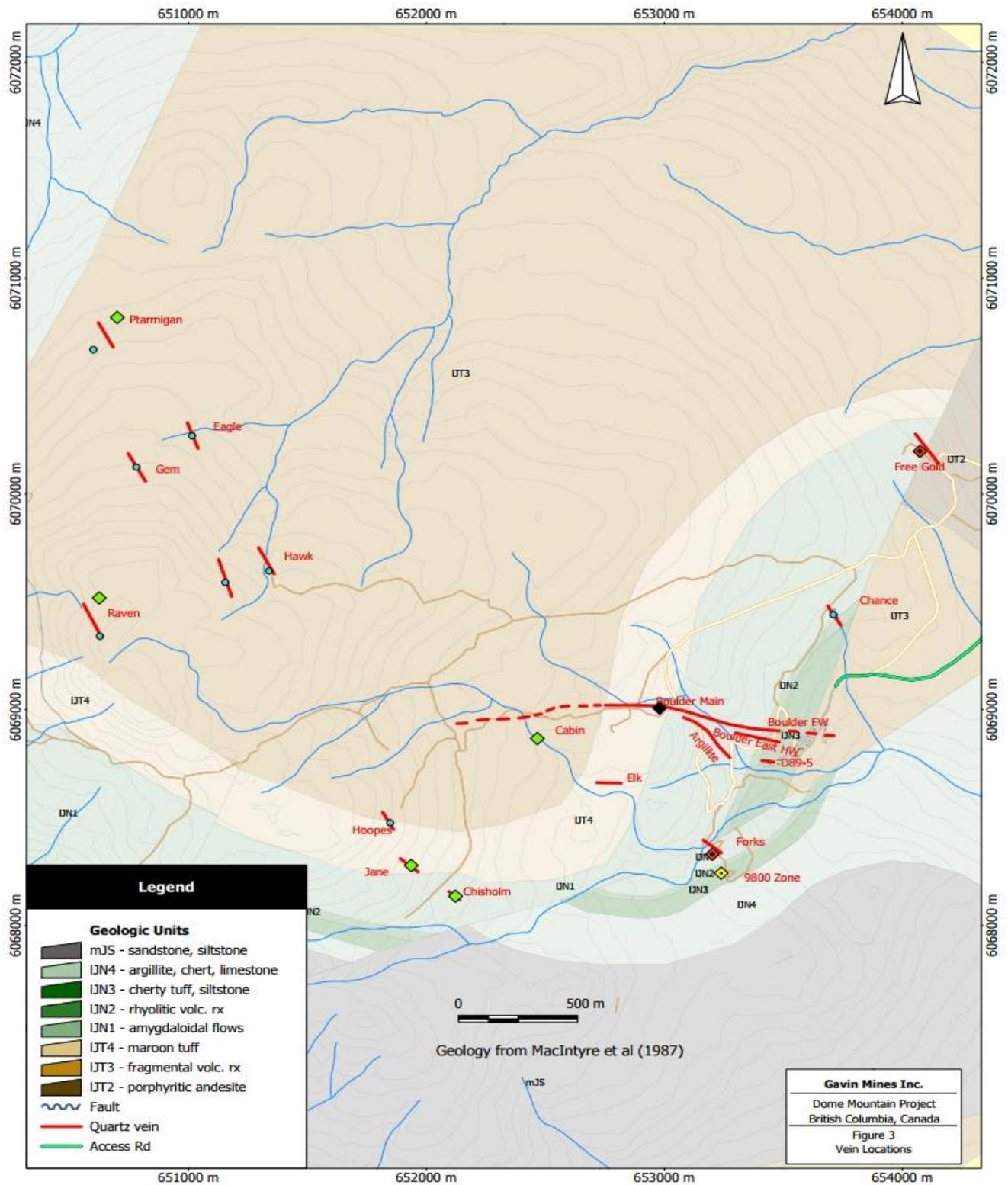


Figure 1 Location and name of Dome Mountain Project quartz vein targets with underlying geology.

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

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