

**BLUE LAGOON HITS 53.76 G/T GOLD OVER 2.2 METERS
INCLUDING 83 G/T GOLD OVER 1.13 METERS AND HITS
17.69 G/T GOLD OVER 3.13 METERS**

DECEMBER 9, 2020, Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to provide the following update on its Dome Mountain Gold Project, an all year accessible property located a short 50-minute drive from Smithers BC.

The results within this release are part of the previously announced 3,700 meter work program at the Dome Mountain Gold Project that was designed to increase confidence in, and expand on, the known gold bearing mineralization by infill drilling and drilling the upper and eastern margins of the Boulder Vein system on the Dome Mountain Gold Project.

Blue Lagoon Resources Chief Geologist, William Cronk said, “Results from the phase one drilling program continue to show the high-grade nature of the Boulder Vein system at Dome Mountain. The high-grade intercept of 17.69 g/t Au and 70.41 g/t Ag from a depth of 335.47 meters to 338.6 meters in hole DM-20-139 is the deepest intercept yet on the Boulder Vein and confirms that the Boulder Vein remains in place and mineralized at depth. Our next drilling program scheduled to begin January 11, 2021 will once again target this vein at deeper levels to test ‘proof of concept’ that the gold bearing mineralization at Boulder Vein goes much deeper than what the historical drilling has outlined.”

Highlights as follows:

- **DM-20-135** 53.76 g/t Au and 22.7 g/t Ag over 2.2 meters including 83 g/t Au and 12 g/t Ag over 1.13 meters
- **DM-20-139** 17.69 g/t Au and 70.40 g/t Ag over 3.13 meters including 48 g/t Au and 95 g/t Ag over 0.65 meters and 36 g/t Au and 117 g/t Ag over 0.33 meters
- **DM-20-138** 12.8 g/t Au and 40 g/t Ag over 0.85 meters
- **DM-20-138** 21.2 g/t Au and 72 g/t Ag over 0.53 meters

Holes DM-20-133 through DM-20-138 targeted known mineralization and show strong grade intercepts. These holes were all drilled from the same collar at differing azimuth and inclination. Hole DM-20-139 was a single hole drilled vertical to test for depth extension of the Boulder Vein (figure 1). The Boulder Vein was intercepted in this hole at a depth of 335 meters and constitutes the deepest intercept yet of the Boulder Vein in this and all historic drilling programs to date.

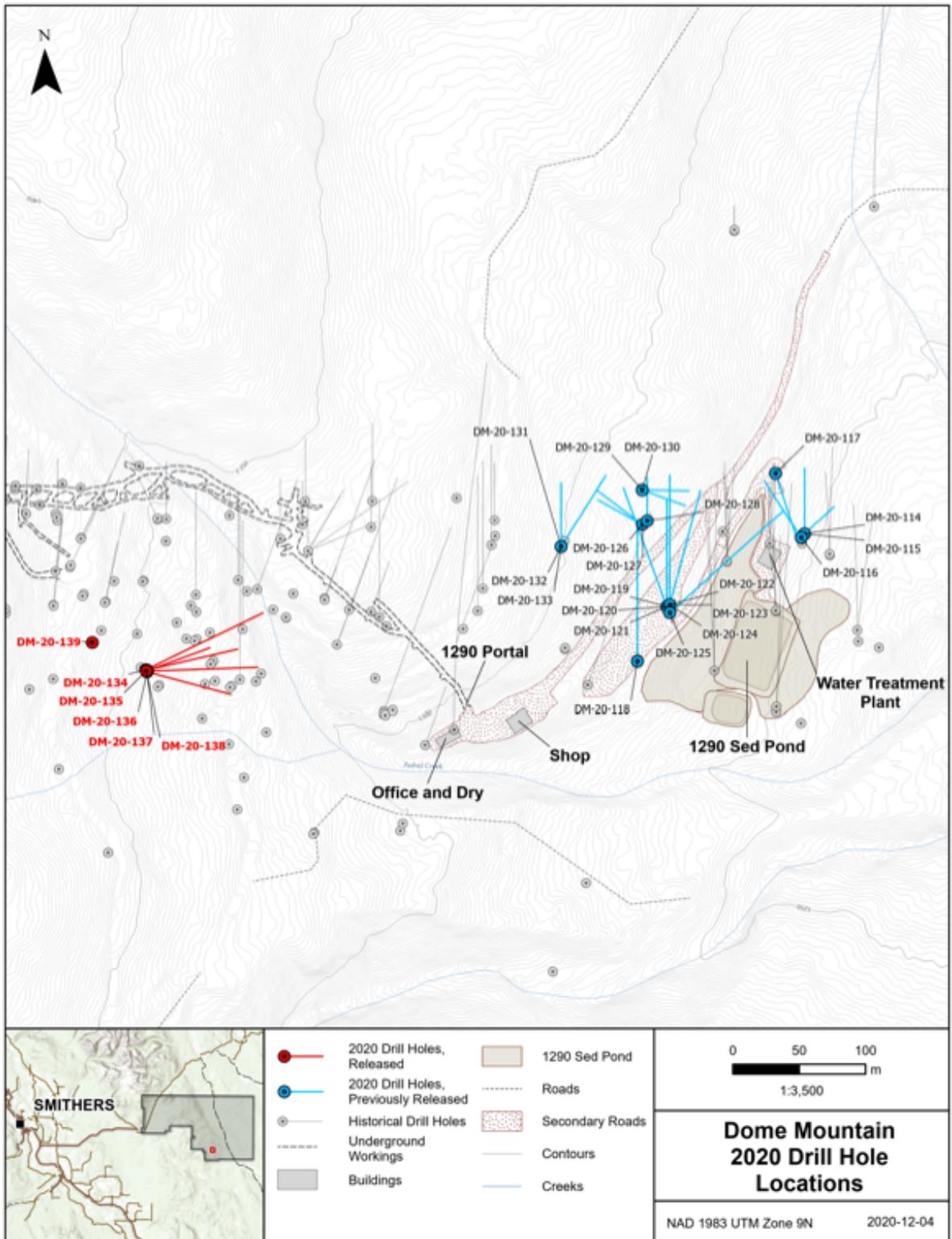


Figure 1

TABLE 1

Hole ID	From	To	Interval	Au (g/t)	Ag (g/t)
DM-20-134	93.77	94.18	0.41	33.00	86.00
DM-20-134	101.40	102.11	0.71	10.60	63.00
DM-20-135	79.70	81.90	2.20	53.76	22.70
<i>including</i>	<i>80.77</i>	<i>81.90</i>	<i>1.13</i>	<i>83.00</i>	<i>12</i>
DM-20-138	35.05	35.90	0.85	12.80	40
DM-20-138	91.82	92.35	0.53	21.20	72
DM-20-139	10.67	10.80	0.13	27.70	496
DM-20-139	12.40	12.60	0.20	61.10	38
DM-20-139	315.47	315.75	0.28	6.24	275
DM-20-139	335.47	338.60	3.13	17.69	70.40
<i>including</i>	<i>336.15</i>	<i>336.80</i>	<i>0.65</i>	<i>48.40</i>	<i>95</i>
<i>including</i>	<i>336.80</i>	<i>337.25</i>	<i>0.45</i>	<i>17.30</i>	<i>207</i>
<i>including</i>	<i>337.25</i>	<i>337.58</i>	<i>0.33</i>	<i>36.00</i>	<i>117</i>

Select intercepts for latest results of Phase One drilling

DM-20-134 – Significant results from this hole can be seen in Table 1. The most significant interval value is 33.0 g/t Au and 86.0 g/t Ag over 0.41 meters in a quartz vein with up to 50% sulfides including pyrite, sphalerite and galena with up to 10 % galena as veinlets and stringers. This was a shallow hole drilled at a dip of -43 degrees to a depth of 138 meters (Figure 2).

DM-20-135 – This hole had the highest grade of the most recent results and included a 1.13-meter intercept from 80.77 meters to 81.90 meters depth running 83 g/t Au and 12 g/t Ag. This intercept is a semi massive sphalerite bearing quartz vein with 10% galena and 2% stringer pyrite. This hole was drilled to a depth of 108 meters at an inclination of -47 degrees (Figure 2)

DM-20-138 – This hole was drilled to a depth of 96.20 meters at and inclination of -58 Degrees. Two significant hits were encountered in two submeter intervals running 12.8 g/t Au and 40 g/t Ag over 0.85 meters and, 21.2 g/t Au and 72 g/t Ag over 0.13 meters in sub parallel quartz veins (to core axis) lined with thin galena selvages and 10% poddy sphalerite and pyrite (Figure 2).

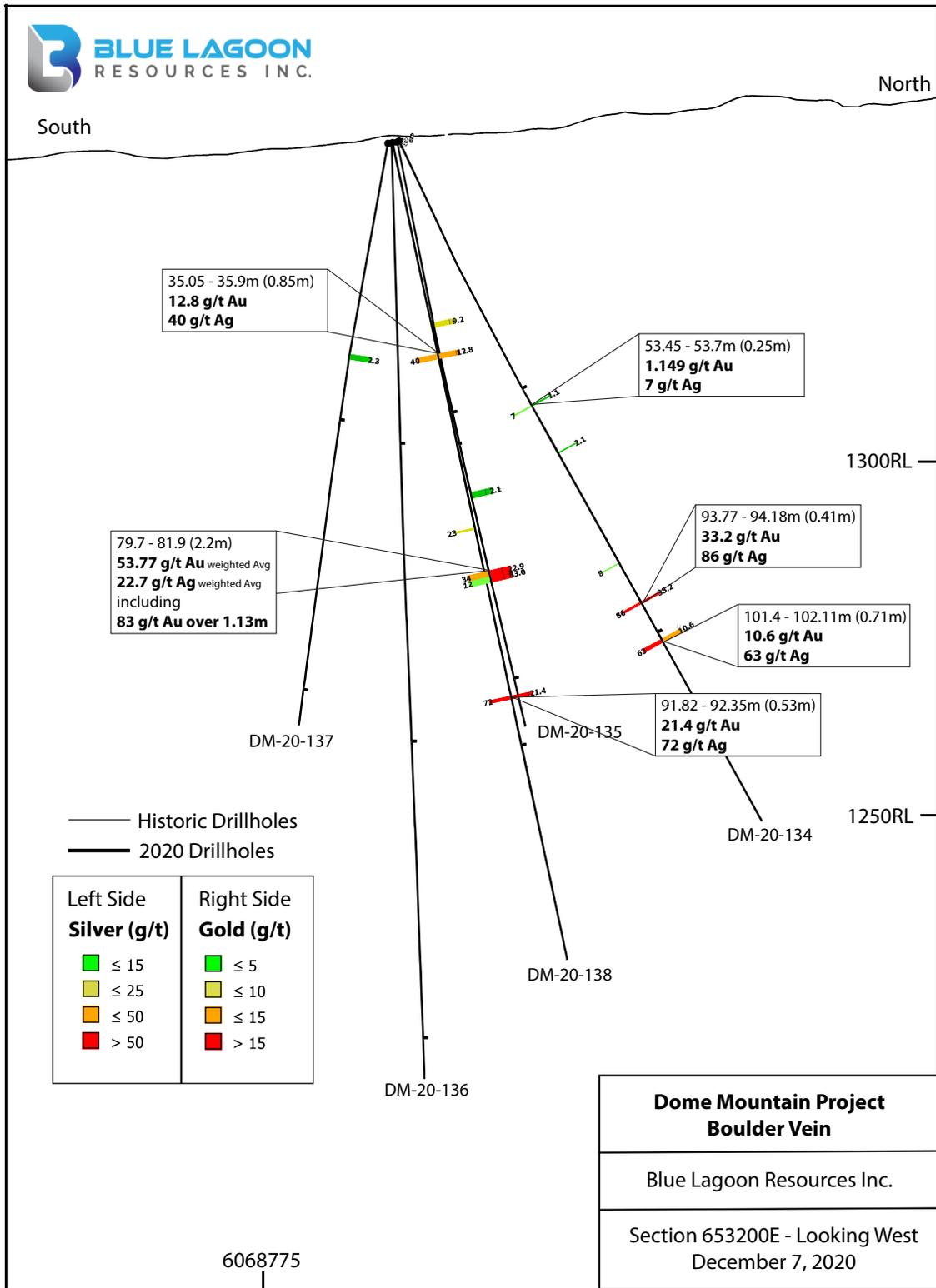


Figure 2

DM-20-139 – This hole was drilled from a unique drill pad and drilled vertical to a depth of 595.88 meters (Figure 3) The Company’s goal with this hole was to hit the Boulder Vein deeper than before as well as test for the deep intersection of the Forks Structure from the south.

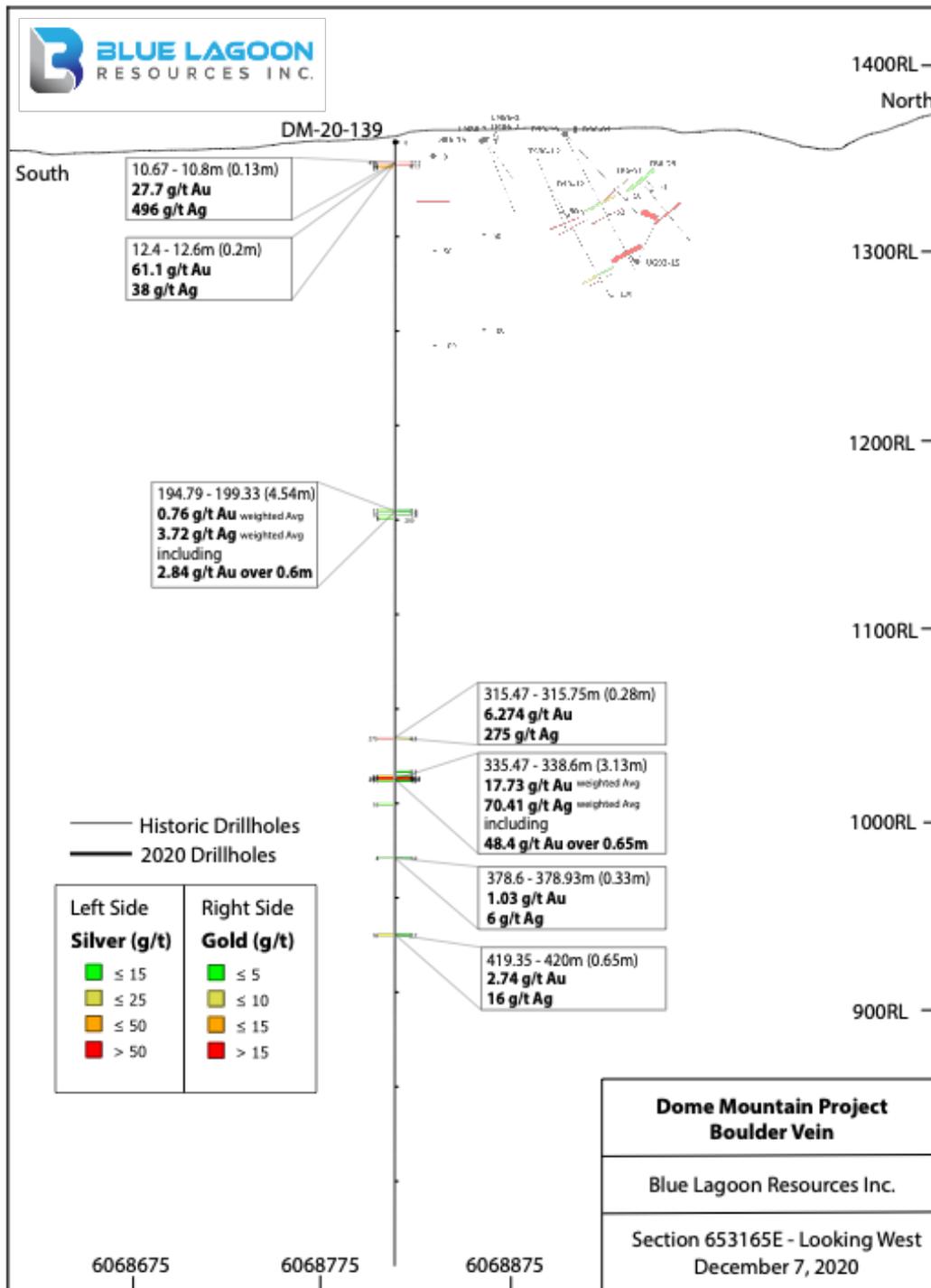


Figure 1

The Forks Structure is a gently north dipping (10-15 degrees) breccia zone with semi massive and massive sulfide mineralization and gold bearing quartz veins that was drilled by Noranda in 1985-1986 500 meters to the south of hole DM-20-139. No such intersection was found yet however, the Boulder Vein was hit from a depth of 335.47 meters to 338.6 meters and consisted of quartz and quartz carbonate veins with up to 50% pyrite, 20% sphalerite and 10% galena. This is the deepest intercept yet drilled on the Boulder Vein. The entire interval runs 17.69 g/t Au and 70.40 g/t Ag over 3.13 meters. Sulfide bearing quartz carbonate stringers run 80 degrees to the core axis.

DM-20-139 was the last hole of the 2020 drill program and the drill rig is still sitting at this collar location. Startup of the 2021 drill program is scheduled for January 11, 2021 and the first hole will be from this same collar drilling due north at a dip of -80 and -70 degrees to better define the Boulder Vein here. Once these two holes are completed, the drill rig will move south and target the Boulder Vein at another 100 meters depth.

Investor Relations and Marketing Agreement

The Company also announces that it has entered into an investor relations agreement with Wallace Hill Partners Ltd., ("WHP") a company registered in British Columbia, Canada. The agreement is for an initial term of one year. WHP will provide financial publishing and digital marketing services to the Company. Pursuant to the agreement, WHP will raise public awareness of the Company, including its social media presence.

Quality Assurance and Control

All core analyses were completed by Bureau Veritas out of Vancouver. Core selected for sampling was cut with a core saw in half with one half bagged for shipping. Strict chain of custody storing, and shipping protocol were maintained. Core was crushed, split, and pulverized with 250 grams passing 200 mesh. Each sample was analyzed by MA370 4-acid digestion ICP with ES finish and FA 150 fire assay with ICP-MS finish, and all Au overlimits <1ppm were analyzed with FA 550 fire assay and gravimetric finish. Standards and Blanks were inserted by Company staff. The sampling program was undertaken by Company personnel by and under the direction of Dr. Mathias Westphal P.Geol.

The scientific and technical data contained in this news release was approved by William Cronk, P.Geol., 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.

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