

**BLUE LAGOON STARTS TESTING NEW AREAS
AT ITS DOME MOUNTAIN GOLD PROJECT
HITS 11.7 METER INTERCEPT
AT FORKS STRUCTURE**

March 29, 2021, Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to provide the following drilling update on its Dome Mountain Gold Project, an all-year accessible property located a short 50-minute drive from Smithers BC., which holds both an Environmental Management Act Permit (EMA) and a Mining Permit providing for up to 75,000 tonnes production annually.

The first Phase of the Company’s 20,000-meter planned 2021 drilling program has now been completed at Dome Mountain with a total of 7176.5 meters drilled to date. Holes drilled during this phase targeted zones within the Mine Lease and Mine permit held as part of the Dome Mountain Property and were designed to test the mineralization at depth as well as the eastern end of the Boulder vein. Both were successful in 2020 with hole DM-20-139 drilled vertically to a depth of 595.88 meters that intercepted the Boulder Vein at 338 meters (the deepest to date) and hit 3.13 meters running 17.69 g/t Au and 70.40 g/t Ag (including 0.65 meters running 48.4 g/t Au and 95 g/t Ag); and hole DM-20-114 that intercepted 107 g/t Au and 278.5 g/t Ag over 1.42 meters including 165.3 g/t Au and 398 g/t Ag over 0.71 meters (see news release January 7, 2020).

Additionally, the Company recently announced the results from another hole from the eastern end of the Boulder Vein - DM-21-160 - which cut a significantly thick intercept from 88.0 to 91.0m that ran 24.07 g/t Au and 127.92 g/t Ag over 3.0 meters. Included in this interval were three 0.5-meter intervals containing 34.5 g/t Au, 18.5 g/t Au and 67.1 g/t Au (which also contained visible gold). These intercepts provide for the farthest east intercepts in the Boulder Vein system to date.

FORKS STRUCTURE

The last three holes of the first phase of the 2021 drill program targeted the mineralized Forks Structure which was originally tested in 1985 by Noranda (figure 1). Hole DM-21-154 hit this Forks structure at a depth of 90 meters. The intercept consisted of 11.7 meters of sheared and altered hornblende crystal tuff with pervasive epidote-chlorite alteration. Throughout this zone, multiple mineralized and planar quartz carbonate veins were intercepted which contain 10 percent pyrite, 1 percent sphalerite and trace of galena and chalcopyrite. Hole 154 hit this zone at a high angle and true width is 11.7 meters.

Assay results are pending for these drill holes and will be released pending appropriate geological and QAQC review.

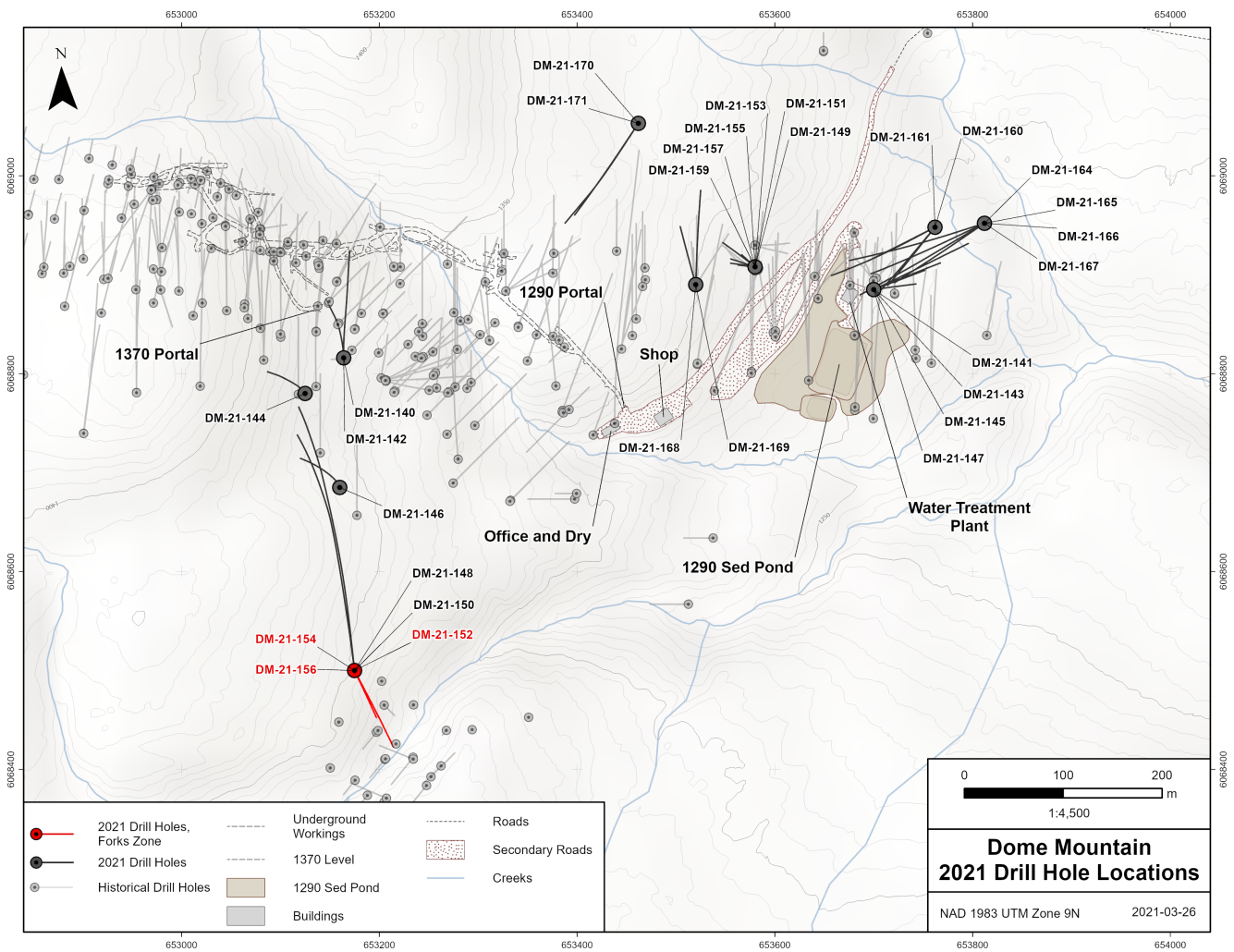


Figure 1

Further work on the Forks Structure will include more drilling this year to focus on potential for resource development along strike and down dip.

The Forks area (located 500 meters south of the Boulder Vein) has been a focus of exploration and development since the 1920s when a shaft was installed to a depth of 32 meters and a crosscut was developed to a vein on the 30 meters level and “several hundred feet” of drifting was carried out (BC Minefile Number 093L 023; George Cross Newsletter 1985, Number 240; Assessment Report 28891). The assessment report highlights that 23 drill holes were completed at Forks in 1985-1987 and outlined a 20,000-tonne gold resource at 23.6 grams per tonne gold.

The Forks Structure is a flat lying, extremely sheared and altered quartz breccia vein structure with a thickness of up to 12 meters (figure 2). The highly altered vein structure is open along strike and at depth.

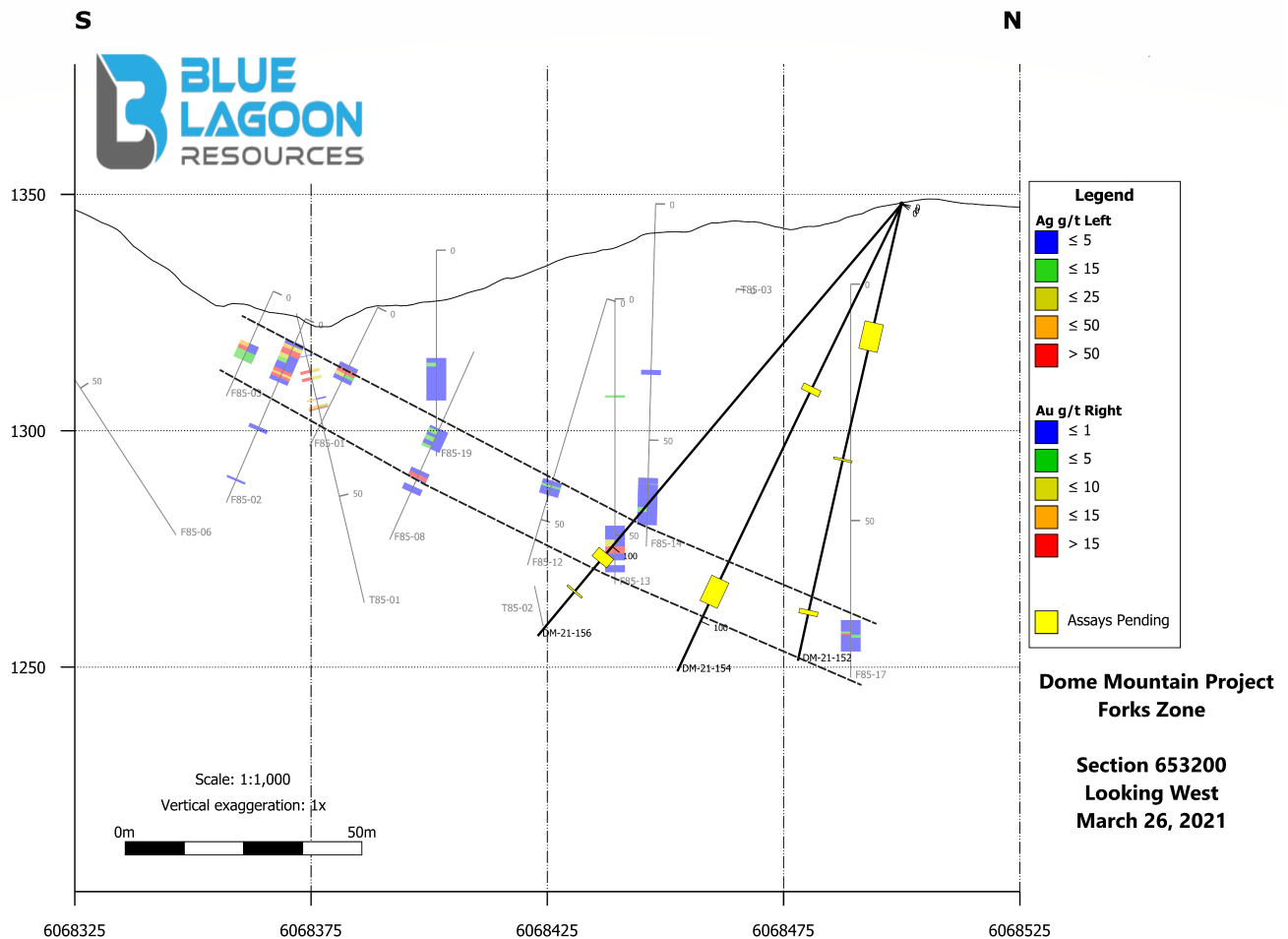


Figure 2

The Forks resource mentioned above is a historical resource and is non-43-101 compliant and is only being used to give historic perspective to the mineralization as a target. The Company is not treating this historical estimate as a current mineral resource.

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.

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