

BLUE LAGOON ACCELERATES DRILL PROGRAM – ADDS SECOND DRILL RIG AT DOME MOUNTAIN

July 5, 2021 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce that it has added a second drill rig to the current drill program on its Dome Mountain Gold Project – a year-round accessible property located a short 50-minute drive from Smithers B.C.

On January 11, 2021, the Company announced the start of its 20,000-meter drill program of which 7,176.5 meters were completed by March 29, 2021. The start of the Company’s Phase Two drill program, announced on June 14, 2021, to which a second drill rig has been added, will consist of approximately 12,500 meters.

“Our entire technical team is working very hard, excited and focused on advancing the Dome Mountain Gold Project as rapidly as possible in order to increase shareholder value on this highly prospective large land package of nearly 19,000 hectares, 90% of which has yet to be explored,” said Rana Vig, President and CEO of Blue Lagoon Resources. “Currently our site is a hub of activity with one crew in the field working on collecting soil samples and prospecting; another crew working underground extracting 6,000 plus tonnes of mineralized material and loading trucks daily and sending them to our toll mill partner Nicola Mining; and now two crews working on two drill rigs that are currently focused on drilling targets at Freegold,” he added.

This phase of the drilling continues to target geophysical, gold in soils and high-grade vein targets on the Freegold showing which is of particular interest because it not only includes historically sampled high grade quartz-carbonate veins and underground workings, but also results from the Company’s 2020 Airborne Geophysical survey (the first property wide survey ever conducted on the property) clearly defined that the Freegold veins are hosted within a potential Cu porphyry style Mag anomaly hosted within a distinct intrusive and located along the southeast end of prominent Mag high linears.

DRILL RIG NUMBER ONE

Drill rig one has been drilling on the east margin of the MAG high at Freegold (figure 1). The first hole was drilled at 260 degree azimuth to cut the MAG high. Lithologies encountered include QFP and slightly to moderately magnetic volcanics including strong local epidote-magnetite alteration. The second hole from the same pad is currently drilling and targeting the off margin of the MAG high where soil samples collected in 2020 show anomalous values in gold, silver, antimony, copper and bismuth.

DRILL RIG NUMBER TWO

Drill rig two is now collared just south of the NW trending high grade veins on Freegold and drilling NE to intercept the SE extension of those veins (figure 1). Historic values are one ounce plus per tonne and last year’s rock sampling on their surface exposure highlighted their anomalous nature including 53.2 g/t Au; 14.1 g/t Au; 90.6 g/t Au; and 59 g/t Ag; 61.5 g/t Ag and 129 g/t Ag respectively (see press release dated January 18, 2021).

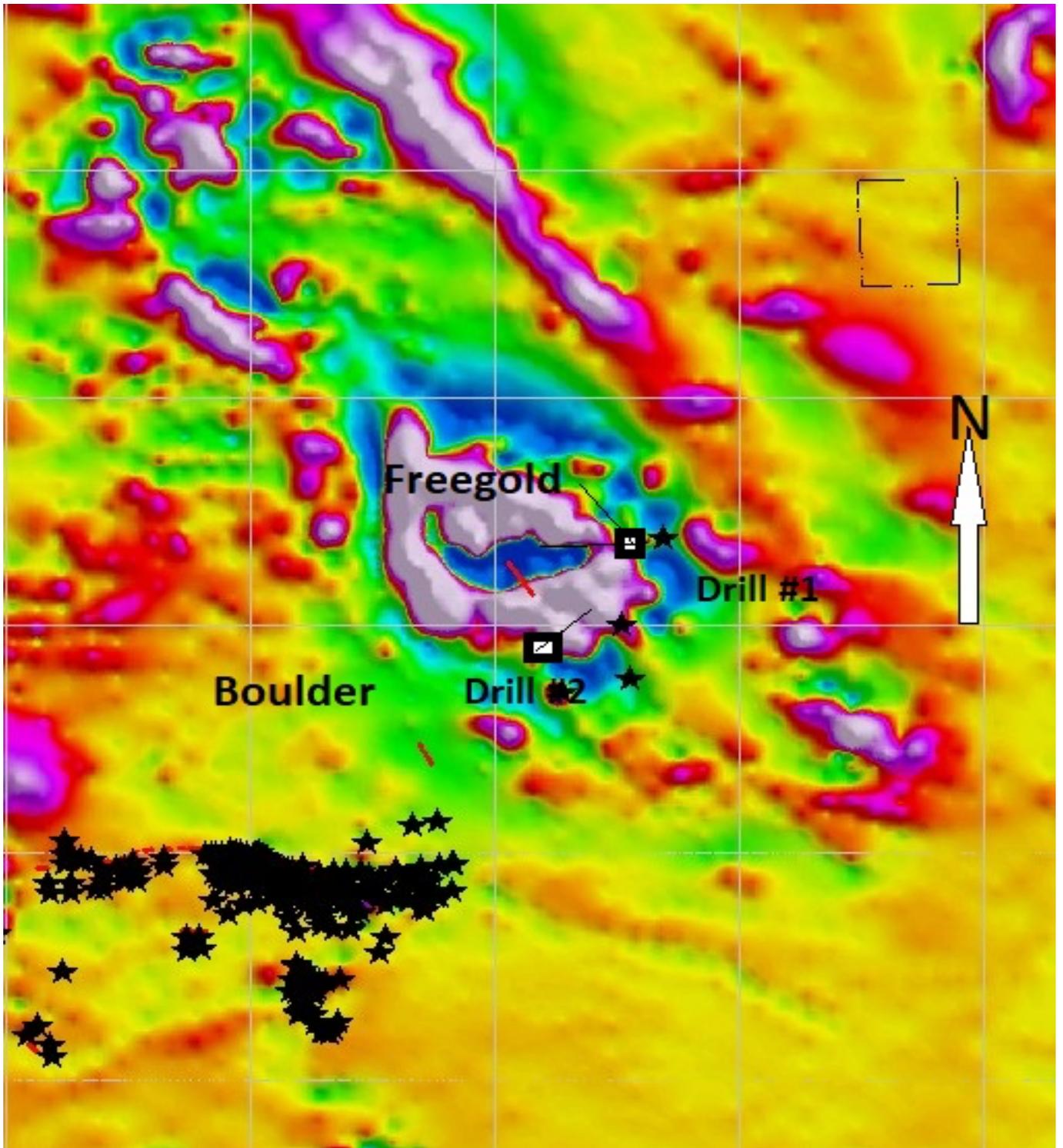


Figure 1: Drilling plans at Dome Mountain on Airborne MAG showing existing drill holes on Boulder and planned drilling at Freegold. Current drilling at Freegold by drill rig #1 and drill rig #2

INVESTOR RELATIONS AND MARKETING AGREEMENT

The Company also announces that it has entered into an investor relations and marketing agreement with Wallace Hill Partners Ltd., (“WHP”) a Vancouver B.C. company. WHP will provide financial publishing and digital marketing services to the Company and, Pursuant to the agreement, will raise public awareness of the Company, including its social media presence, and will promote the Company’s business. The agreement is for an initial term of one year at a cost of US\$200,000.

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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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 or future exploitation of minerals deposits, volatility of gold and silver 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.