

BLUE LAGOON ENCOUNTERS MULTIPLE HIGH-GRADE VEINS IN NEW AREAS AT DOME MOUNTAIN

September 22, 2021 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce that recent drilling has encountered multiple high-grade vein intercepts at the Company’s 100% controlled, year-round accessible Dome Mountain Gold Project located a short 50-minute drive from Smithers, B.C. To date, 5940.5 m have been completed in eighteen diamond drill holes, approximately half of the Company’s planned 12,000 m Phase Two 2021 drill program (Figure 1). Assays results for five holes (Table 1) have been received, highlights of which include:

- **Hole DM-21-177:**
 - 47.09 g/t Au eq over 0.65 m
 - 8.05 g/t Au eq over 1.37 m
 - 7.71 g/t Au eq over 3.55 m
 - 20.30 g/t Au eq over 0.75 m
 - 9.22 g/t Au eq over 0.80 m
 - 20.81 g/t Au eq over 0.33 m
- **Hole DM-21-176:**
 - 34.05 g/t Au eq over 0.55 m
 - 5.5 g/t Au eq over 1.50 m
 - 22.32 g/t Au eq over 0.33 m
- **Hole DM-21-173:**
 - 4.45 g/t Au eq over 2.40 m

The first five exploration holes were drilled in the vicinity of the Freegold showing (Table 2). Strong assay results confirm the strike extent of gold rich veins mapped historically at the surface, demonstrate that multiple veins are present in this area and importantly, indicate mineralization persists to significant depth with the deepest intercept in hole DM-21-177, 20.81 g/t Au eq over 0.33 m, occurring at a down hole depth of 524.9 m, or approximately 450 m below surface. Blue Lagoon is very encouraged by these results and believe they support further drilling in this area.

Although assays have not yet returned, drill holes at Chance Creek, located about 800 m southwest of Freegold, have encountered a new style of mineralization consisting of sulfide bearing quartz veins with disseminated sulfides occurring in surrounding volcanic host rocks. Vein densities of over 30 veins per meter have been observed varying from a high angle to core axis to flat lying. Carbonate alteration is ubiquitous. Blue Lagoon eagerly awaits assays from these holes.

“Intersecting multiple high-grade veins in our first holes from Freegold is a great start,” commented William Cronk, Chief Geologist for Blue Lagoon Resources. “We also feel that the new style of mineralization encountered in drill holes at Chance Creek mineralization could be very important to our ongoing exploration program. Thus far, we have only drilled a small portion of the Chance Creek Structural Corridor, which is over 600 meters wide, extends over 1.5 km in length, and strikes southeast right toward the eastern end of the prolific Boulder Vein system. It is becoming clear that much follow-up drilling will likely be needed to test the on-strike extent of mineralization within this wide mineralized structural corridor,” he added.

Drilling was initiated in the the area of the Freegold showing where historic high-grade gold samples come from veins associated with the Freegold Intrusion, a monzonite intrusion. This intrusion was recently delineated from an airborne magnetics survey completed over the entire Dome Mountain property in 2020 and displays an ovoid magnetic low encircled by an aerole of intensely strong magnetism. Several Phase Two drill holes have encountered intense epidote-magnetite alteration in basaltic andesite thus explaining this strong magnetic ring. Drilling in the magnetic low has confirmed the presence of a monzonite stock. This monzonite locally hosts stockwork molybdenum mineralization, and cross-cutting quartz veins, some with high-grade gold values.

After in-depth discussions in regards to the target model, an alkaline gold system, with Quinton Hennigh, Geologic and Technical Director of Blue Lagoon’s strategic shareholder Crescat Capital, it was determined that more work in the form of ground geophysics (CSAMT, Deep IP and, gravity) should be conducted to collect additional data to help focus drilling in and around the Freegold area. Notwithstanding the fact that nearly all holes drilled to date have encountered anomalous gold mineralization, the Company has decided to temporarily move the drills from the Freegold area to targets located to the west and southwest until ground geophysics is completed later this year.

Recent drill holes DM-21-186, -187 and -188 positioned approximately 800 m southwest of Freegold have successfully encountered a new zone of mineralization within the Chance Creek Structural Corridor. Mineralization occurs within sheeted quartz-carbonate veins displaying variable amounts of pyrite, sphalerite, chalcopyrite and traces of galena. Vein orientations vary from high- to low-angle to core axis, and vein intensity varies from greater than 30 veins per meter to less than five per meter. Holes DM-21-186 and -188 encountered zones of mineralized ash tuff displaying disseminated pyrite within zones up to 16 meters thick, the first time such disseminated mineralization has been found on the property. Assays from holes discussed above are eagerly awaited by the Company.

The Company’s second drill rig has been moved to the eastern part of the project where it is now drilling a distinct circular magnetic anomaly thought to be a blind porphyry target.

TABLE 1

DH	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Au eq (g/t)
DM-21-172	138.00	138.43	0.43	4.56	12.00	0.04	0.05	0.01	4.77
	156.70	157.12	0.42	3.99	9.00	0.96	0.03	0.01	4.49
	371.50	371.72	0.22	4.94	17.00	0.05	0.22	0.03	5.34
DM-21-173 Including	44.98	45.71	0.73	2.88	67.71	0.29	0.34	0.04	4.07
	69.17	69.82	0.65	4.59	3.00	<0.02	0.04	0.09	4.79
	215.38	217.78	2.40	4.34	3.15	0.01	0.11	0.01	4.45
	216.48	217.12	0.64	8.84	7.00	0.01	0.13	0.02	9.03
	373.82	373.95	0.13	8.05	28.00	0.33	4.24	0.26	11.17
DM-21-174	No significant values								
DM-21-175	25.70	29.95	4.25	1.80	20.00	0.09	0.45	0.02	2.35
	124.78	125.05	0.27	2.56	11.00	0.18	0.11	0.04	2.89
	181.00	182.00	1.00	4.17	<2.00	<0.02	0.04	0.01	4.21
	205.40	206.30	0.90	1.68	5.00	<0.02	0.03	0.02	1.79
	225.55	226.70	1.15	1.43	<2.00	<0.02	0.05	0.00	1.46
DM-21-176	86.70	87.25	0.55	33.30	15.00	0.16	0.82	0.05	34.05
	145.00	145.12	0.12	16.80	17.00	0.10	<0.01	0.00	17.05
	157.50	159.00	1.50	5.47	<2.00	0.03	0.03	0.00	5.50
	316.75	317.20	0.45	2.99	32.00	0.12	0.11	0.01	3.51
	458.15	458.48	0.33	17.90	162.00	2.42	2.21	0.20	22.32
	462.05	462.25	0.20	5.66	13.00	0.05	<0.01	0.03	5.89
DM-21-177 Including	482.00	483.59	1.59	2.33	16.00	0.62	0.05	0.00	2.79
	45.65	46.30	0.65	40.00	441.00	1.08	1.63	0.19	47.09
	164.30	164.55	0.25	3.93	7.00	<0.02	0.03	0.04	4.09
	229.63	231.00	1.37	6.73	47.00	0.03	0.62	0.25	8.05
	239.95	243.50	3.55	6.44	25.17	0.09	1.41	0.11	7.71
	239.95	240.45	0.50	41.60	168.00	0.28	8.82	0.69	49.55
	247.85	248.60	0.75	18.70	21.00	0.05	2.16	0.12	20.30
	296.85	297.90	1.05	3.72	17.86	0.02	0.25	0.12	4.27
	362.60	363.12	0.52	1.42	82.00	0.07	0.05	0.08	2.63
	392.05	392.41	0.36	1.75	14.00	0.04	0.02	0.12	2.14
	430.85	431.65	0.80	8.56	13.00	0.22	0.63	0.06	9.22
	433.63	434.17	0.54	1.20	9.00	0.27	0.60	0.02	1.76
	518.00	519.10	1.10	1.23	11.00	0.07	0.35	0.03	1.64
	524.90	525.23	0.33	19.20	52.00	0.70	1.00	0.11	20.81

Au eq (g/t) = Au (g/t) + (Ag (g/t)/80) + (Pb (%)/2.64) + (Zn (%)/1.90) + (Cu (%)/0.626)

True widths of veins cannot be estimated at this early stage.

TABLE 2

DH	Azimuth	Dip	Depth (m)
DM-21-172	260	-45	410
DM-21-173	60	-50	425
DM-21-174	310	-60	301
DM-21-175	110	-45	452
DM-21-176	325	-50	546
DM-21-177	110	-60	569
DM-21-178	110	-70	401
DM-21-179	235	-52	403
DM-21-180	110	-50	235
DM-21-181	55	-52	354
DM-21-182	235	-50	254.5
DM-21-183	55	-65	190
DM-21-184	70	-50	135
DM-21-185	240	-50	400
DM-21-186	240	-65	365
DM-21-187	210	-50	278
DM-21-188	210	-50	97
DM-21-188A	210	-50	125
TOTAL			5940.5

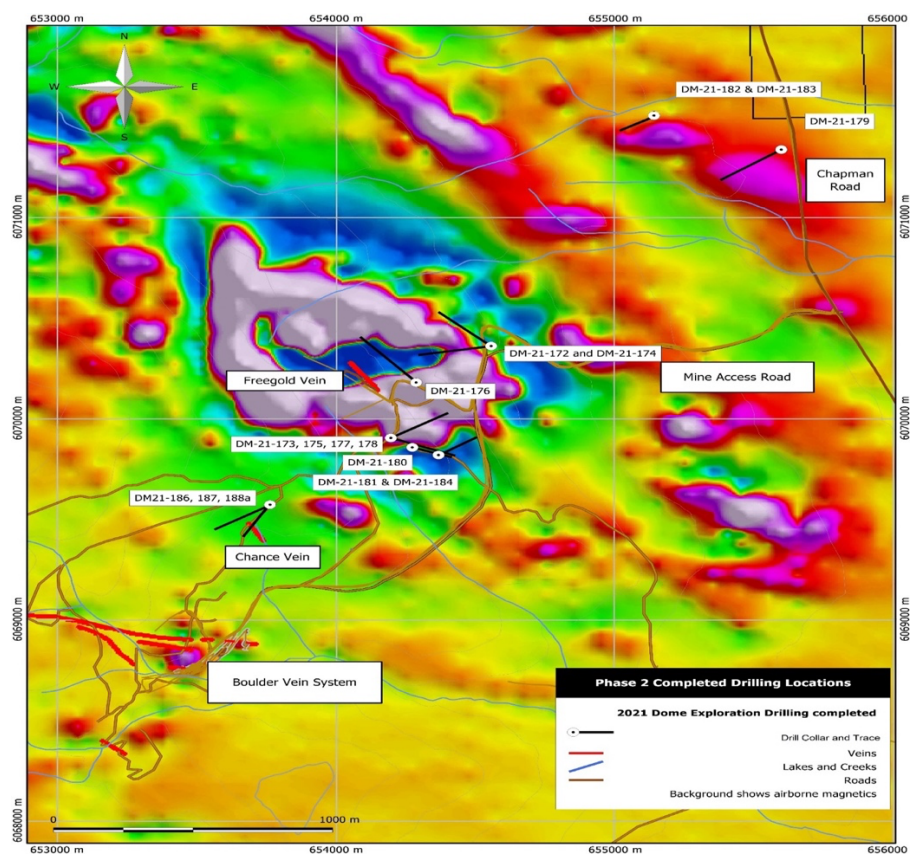


Figure 1

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.Geo.

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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