

BLUE LAGOON CONTINUES TO HIT MORE GOLD AT DOME MOUNTAIN

December 7, 2021 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce new high-grade gold results from its on-going diamond drilling program at its 100% controlled Dome Mountain Gold Project, an all-year-round accessible property located a short 50-minute drive from Smithers B.C.

To date, the Company has completed 20,627 meters of diamond drilling since the commencement of the 2021 drilling program announced on January 11, 2021 (Table 2). Phase One drilling, completed earlier this year, encompassed 7,176.5 meters in 32 holes, and to date, 49 holes totaling 13,446.5 meters have been drilled as part of the Company’s Phase Two program. Drilling is ongoing with two diamond drills operating around the clock and will continue until on or about December 15, 2021 and will recommence in early January 2022.

Due to exceptionally slow lab turn-around times, an industry wide problem, the Company is waiting for assay results from more than 30 holes. Highlights of the most recent assay results (Table 1) 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

Hole DM-21-178:

- 14.20 g/t Au eq over 1.28 m
- 27.70 g/t Au eq over 0.50 m
- 11.51 g/t Au eq over 0.65 m

Hole DM-21-186:

- 20.55 g/t Au eq over 0.37 m
- 23.81 g/t Au eq over 0.60 m
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* Announced in a press release dated September 22, 2021

Quinton Hennigh, Director of Crescat Capital, a strategic shareholder of Blue Lagoon, commented "It is quite promising that the first exploration hole into the new Chance Structural Zone ("CSZ") has returned high-grade vein intercepts. High-grade veins have now been found over an area of approximately 2 sq km across the core part of the project. With over thirty holes in the lab for assay, many of which display multiple vein intercepts in the CSZ and Federal Zones, it will be exciting to see how this story unfolds."

Results for 11 new holes have been returned since previous results were announced in a press release dated September 22, 2021 (Table 1). As discussed in that press release, hole DM-21-186 was the first hole completed in the newly identified CSZ and encountered narrow and steeply dipping quartz-sulfide veins in country rock displaying disseminated sulfide mineralization. This hole encountered six notable mineralized intercepts including 20.55 g/t Au eq over 0.37 m and 23.81 g/t Au eq over 0.60 m, confirmation that this new target is capable of hosting high-grade vein mineralization.

"Hole DM-21-186 provides our first indication that the complex network of structures discovered in the Chance Structural Zone ("CSZ") host high-grade gold veins," commented Bill Cronk, Blue Lagoon's Chief Geologist. "This is a very encouraging start on this new zone of mineralization, especially given the fact that we have seen many more such vein intercepts drilled in subsequent holes at this new target. Sheeted high-grade veins of multiple orientations are typical in alkaline gold deposits such as this. We look forward to receipt of assays from the twenty additional holes completed in the CSZ as well as results from the new Federal Zone," he added.

The CSZ is structurally complex with faults and quartz veins displaying multiple orientations including steeply dipping and flat lying. To date, 21 holes completed at CSZ define a structural corridor within a complex graben at least 300 meters in width and 300 meters along strike (NW-SE). Further drilling will be completed to delineate this new mineralized structural zone along strike and at depth.

Hole DM-21-178, which tested the Freegold Vein target as an undercut to hole DM-21-177 encountered seven notable mineralized vein intercepts including 14.2 g/t Au eq over 1.28 m, 27.70 g/t Au eq over 0.50 m and 11.51 g/t Au eq over 0.65 m. This hole (and DM-21-177) shows that the high-grade Freegold Veins have a strike extent of at least 300m.

Holes DM-21-177 to DM-21-185 were completed in the Freegold intrusion and display anomalous gold consistent with known mineralization encountered at the surface. More drilling may be planned at Freegold showing once a ground IP survey is completed.

Federal Creek

One drill rig was deployed to the Federal Zone to test for mineralization associated with an Airborne EM anomaly within a NNW-SSE structural zone highlighted by magnetics. To date, ten drill holes have been completed in this new target, several of which have encountered a few meters to tens of meters of graphitic shear zone above and below a contact between supracrustal sedimentary rocks and volcanic rocks including ash tuffs and volcanic breccia. This graphitic "zone" is characterized by 1-10% graphite and anomalous arsenopyrite (up to 10%) and pyrite with local occurrences of chalcopyrite, sphalerite and galena. Mineralization appears to be consistent along strike and at depth.

TABLE 1

DH	From (m)	To (m)	Interval (m)	Au (gpt)	Ag (gpt)	Pb (%)	Zn (%)	Cu (%)	Au eq (gpt)
DM-21-178	98.90	100.18	1.28	12.60	71.00	1.02	0.36	0.07	14.20
	100.18	101.40	1.22	2.11	75.00	0.45	1.78	0.11	4.34
	124.95	125.45	0.50	9.71	1012.00	5.54	4.48	0.43	27.70
	109.70	110.00	0.30	1.39	6.00	0.37	0.46	0.04	1.91
	125.45	126.25	0.80	3.81	100.00	0.19	0.10	0.04	5.26
	132.35	133.00	0.65	10.60	32.00	0.28	0.67	0.03	11.51
	167.45	168.55	1.10	1.38	16.00	0.02	0.09	0.07	1.75
DM-21-180	59.20	60.37	1.17	1.75	5.63	0.01	0.21	0.03	1.98
	221.75	222.12	0.37	1.16	0.00	0.00	0.01	0.01	1.18
DM-21-181	18.28	18.62	0.34	5.00	8.47	0.08	0.04	0.02	5.19
	209.60	209.85	0.25	5.79	7.00	0.00	0.03	0.17	6.18
	306.40	307.10	0.70	3.01	10.00	0.08	0.22	0.02	3.33
DM-21-182	No sig values								
DM-21-184	23.35	24.20	0.85	2.81	9.00	0.17	0.07	0.01	3.05
	83.15	83.45	0.30	3.28	6.00	0.06	0.07	0.01	3.42
DM-21-186	25.3	25.45	0.15	13.40	11.00	0.00	0.01	0.02	13.58
	29.18	29.55	0.37	20.00	16.00	0.00	0.54	0.04	20.55
	59.00	59.15	0.15	2.00	25.00	0.00	0.08	0.11	2.55
	116.60	117.15	0.55	1.47	10.00	0.00	0.04	0.04	1.68
	122.00	122.60	0.60	22.80	60.00	0.00	0.05	0.13	23.81
	126.20	126.80	0.60	1.49	5.00	0.00	0.02	0.02	1.60

Au eq (gpt) = Au (gpt) + (Ag (gpt)/79) + (Pb (%)/2.59) + (Zn (%)/1.92) + (Cu (%)/0.60)

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

TABLE 2

Final Hole ID	Easting	Northing	Depth (m)
DM-21-172	654551.559	6070353.466	410
DM-21-173	654207.968	6069899.49	425
DM-21-174	654551.705	6070356.513	301
DM-21-175	654209.045	6069896.917	452
DM-21-176	654284.352	6070175.188	546
DM-21-177	654208.499	6069897.123	569
DM-21-178	654208.158	6069897.19	401
DM-21-179	655590.081	6071331.15	403
DM-21-180	654272.562	6069849.346	235
DM-21-181	654371.108	6069817.6	354
DM-21-182	655138.606	6071500.672	254.5
DM-21-183	655138.838	6071500.814	190
DM-21-184	654370.963	6069817.44	135

DM-21-185	656002.464	6073183.661	496
DM-21-186	653752.182	6069558.771	365
DM-21-187	653753.081	6069559.01	278
DM-21-188	653753.681	6069558.618	96.5
DM-21-188a	653753.513	6069558.353	193
DM-21-189	653762	6069569	177
DM-21-190	654440	6069028	150
DM-21-191	653539	6069399	215
DM-21-192	654440	6069028	155.5
DM-21-193	653539	6069399	315
DM-21-194	654441	6069031	179
DM-21-195	653539	6069399	359
DM-21-196	654441	6069031	160
DM-21-197	654591	6068688	448
DM-21-198	653539	6069399	377
DM-21-209	654569	6068691	405
DM-21-200	653539	6069399	215
DM-21-201	653633	6069329	205
DM-21-202	654569	6068691	362
DM-21-203	653633	6069329	179
DM-21-204	653633	6069329	152
DM-21-205	654691	6068738	419
DM-21-206	653633	6069329	242
DM-21-207	653633	6069329	236
DM-21-208	653633	6069329	158
DM-21-209	654691	6068738	350
DM-21-210	653633	6069329	158
DM-21-211	653633	6069329	173
DM-21-212	654691	6068738	457
DM-21-213	653633	6069329	218
DM-21-214	653633	6069329	170
DM-21-215	654691	6068738	518
DM-21-216	653717	6069212	227
DM-21-217	653717	6069212	242
DM-21-218	653717	6069212	239
DM-21-219	653717	6069212	155
DM-21-220	653717	6069212	113

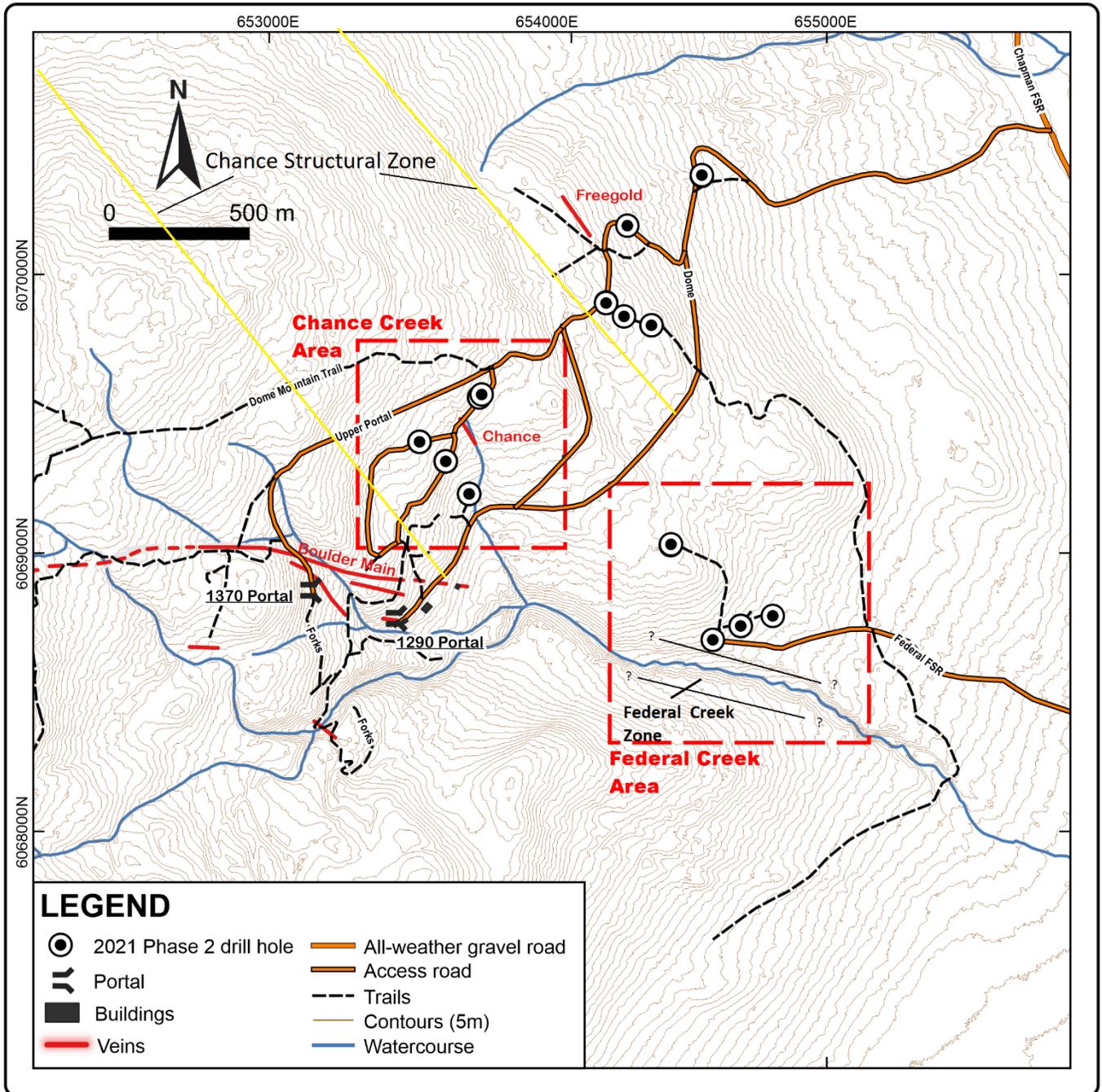


Figure 1 Site map showing only Phase 2 drilling

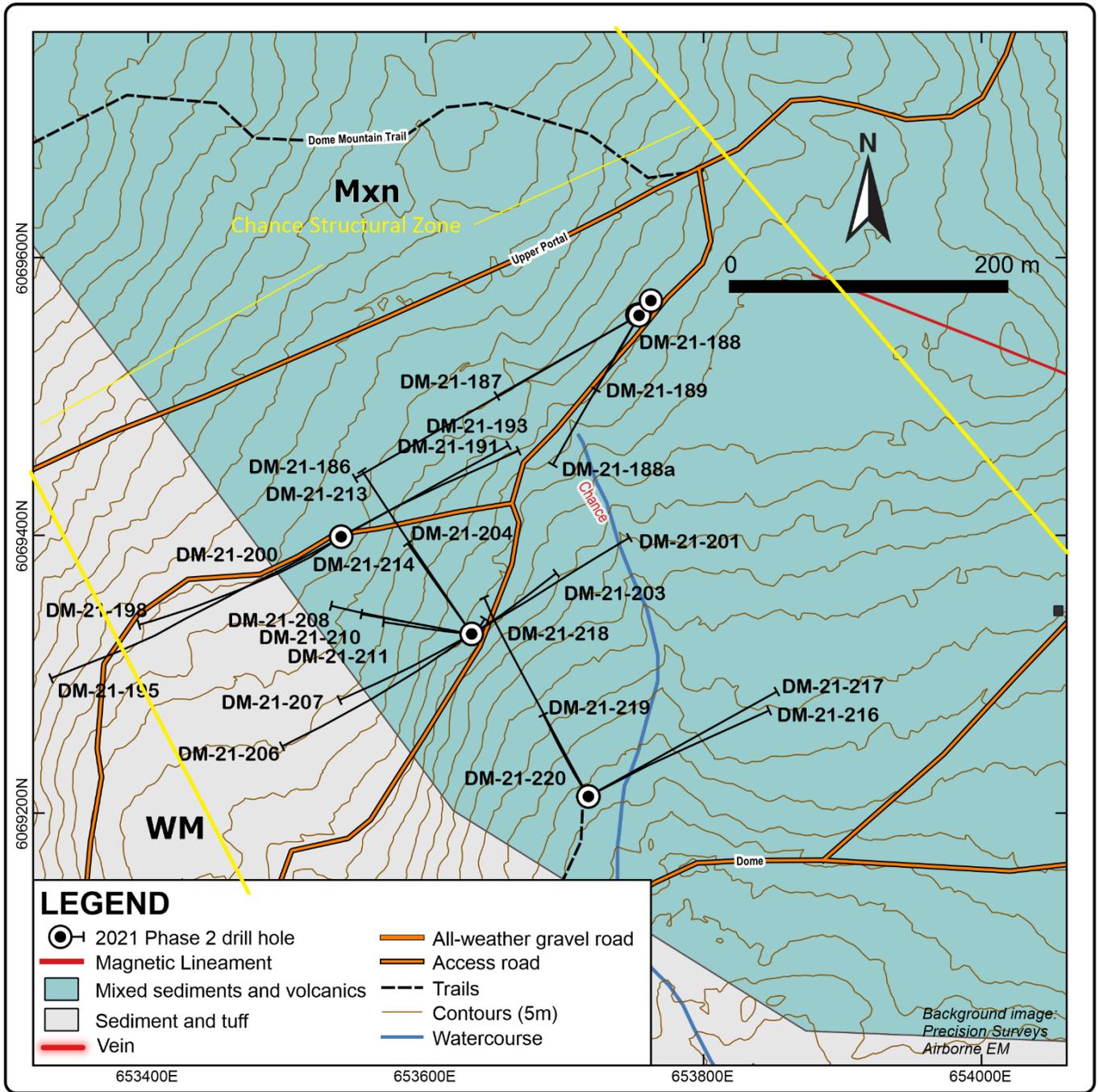


Figure 2 Map showing Phase 2 drilling to date in the Chance Structural Zone (background is generalized geology)

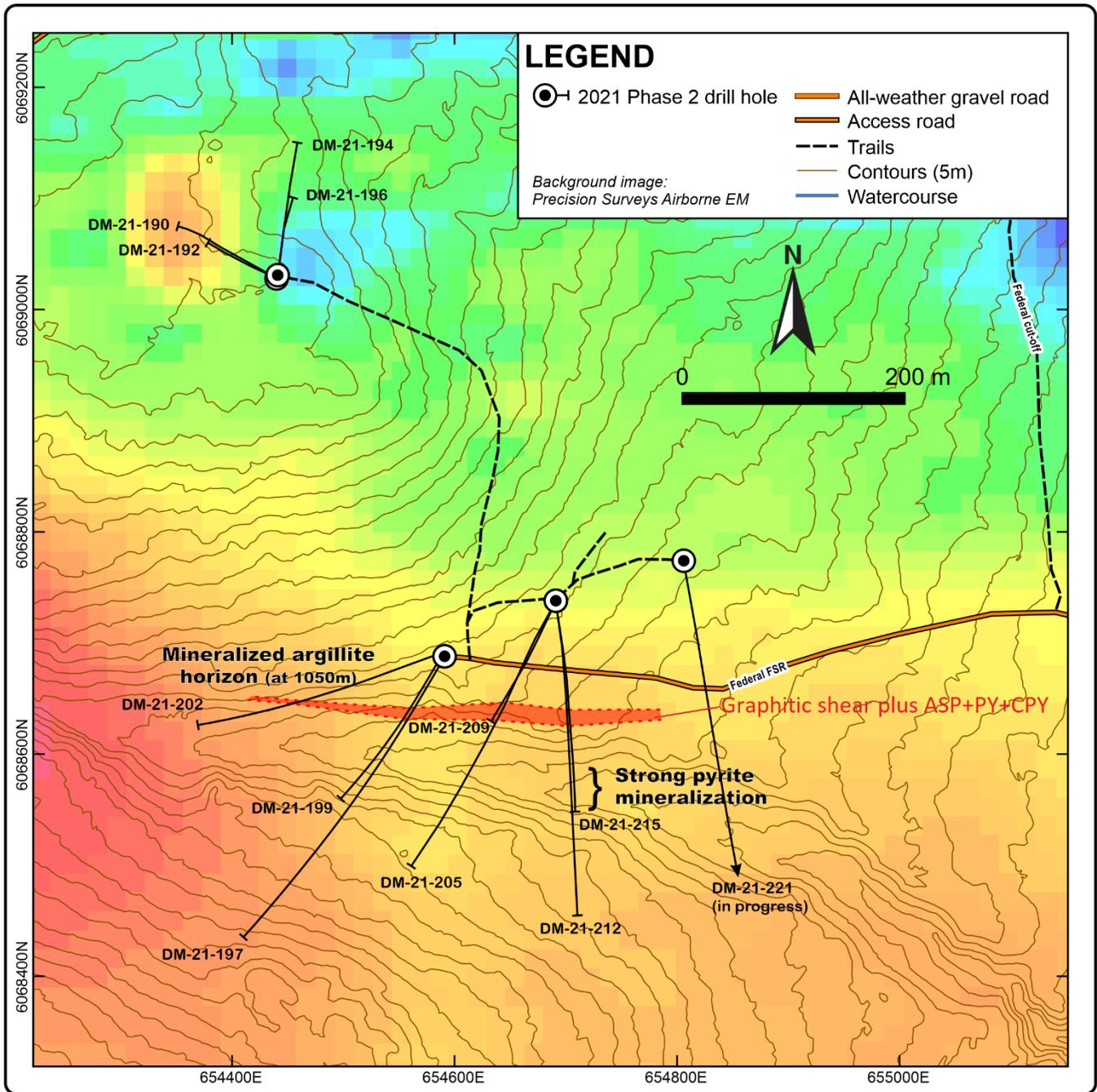


Figure 3 Map Showing Phase 2 drilling to date in the Federal Zone

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 Lorie Farrell P.Geol.

BIG ONION PROPERTY OPTION AGREEMENT

The Company is also pleased to announce that it has entered into a property option agreement on the Big Onion Property with Gama Explorations Inc., a private BC company. Pursuant to the option agreement Gama may acquire a 100% interest in the property in consideration for the following cash and share payments to be made over a period of 48 months: \$500,000 in cash, 2 million common shares of Gama, and exploration expenditures of \$1.5 million on the property. The Company retains a net smelter returns royalty on the project of 1.125% currently held through Metal Mountain Resources Inc., a wholly owned subsidiary of the Company. The Big Onion Property is an exploration stage copper property that consists of thirteen contiguous mineral title claims located near Smithers, British Columbia. The Company and Gama have determined not to proceed on the previously announced sale of the Golden Wonder project to Gama. The Company continues to focus on the advancement of its Dome Mountain and Pellaire projects.

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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