

**BLUE LAGOON ANNOUNCES RESULTS OF
2022 GROUND IP AND CSAMT SURVEY ON ITS
DOME MOUNTAIN GOLD PROJECT**

January 5, 2023 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is pleased to announce the results from its 2022 ground IP and CSAMT Survey program completed on its Dome Mountain Gold Project - an all-year-round accessible property located a short 50-minute drive from Smithers, BC.

The Company’s 2022 ground geophysical program was designed to test for IP and/or CSAMT responses over known mineralization as well as to identify untested targets for drill follow-up.

The 2022 program consisted of 6 traverses of IP totaling 18.9 line kilometers and 3 traverses of CSAMT totaling 11.4 line kilometers. Figure 1 shows the lines completed for IP. CSAMT was completed on the same central lines as IP (namely lines 3,4 and 5) to test for the best response technique.

Results show that IP generally works as good or better than CSAMT at Dome, and specifically in response to the steeply dipping mineralized structure(s) of the Boulder Vein System.

Figures 2 and 3 show a plan of IP Resistivity over all six lines (Figure 2) and a more focused plan of the central part of the area including infrastructure and location of drill hole DM-22-273 (Figure 3).

Hole DM-22-273 was drilled into the steeply dipping Resistivity anomaly to test for deep mineralization on the Boulder Vein at least 200 meters below the current resource level of the Boulder Vein resource (see press release February 10, 2022). The hole was successful in hitting the deeper and untested portion of the Boulder Vein and included a pyrite mineralized quartz breccia zone at 290 meters depth (7-10% pyrite with trace bornite and chalcopyrite). Between 295 m - 308 m a series of quartz veins were intercepted containing pyrite (13-20%), chalcopyrite (5-7%) and sphalerite (0.5 -3%). This is a significant mineralized zone (over 16 m thick) in the deeper Boulder Vein and sits in strong correlation to the modeled Ground IP section in Figure 4.

This mineralization sits within an overall steeply dipping structure at least 20 meters thick.

Results are pending for samples submitted from hole DM-22-273 however, a diamond drill rig is sitting at this collar location now and follow up drilling of this intercept (down dip and along strike) will be the first priority for the 2023 drilling program expected to begin mid-January.

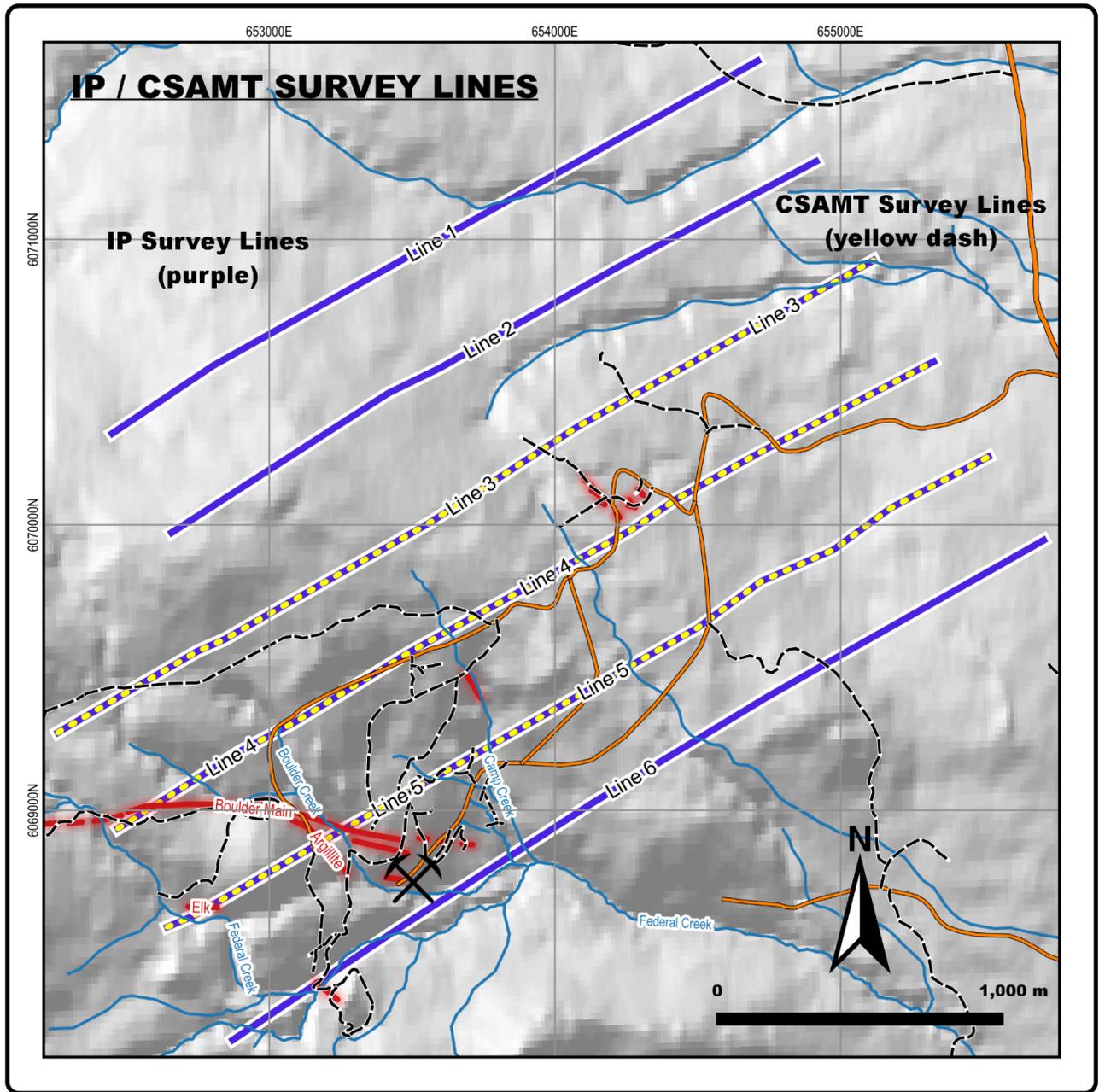


Figure 1

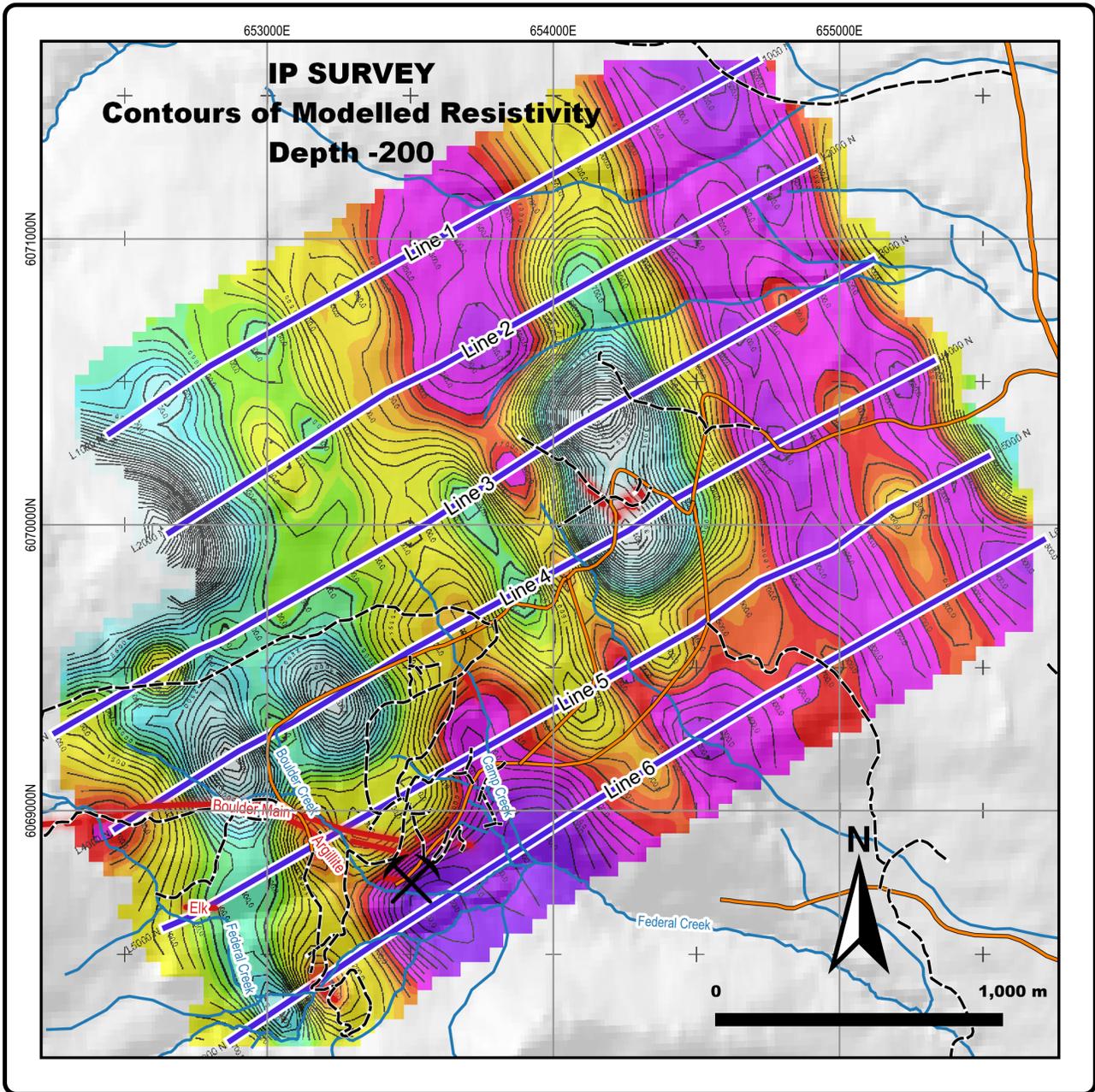


Figure 2

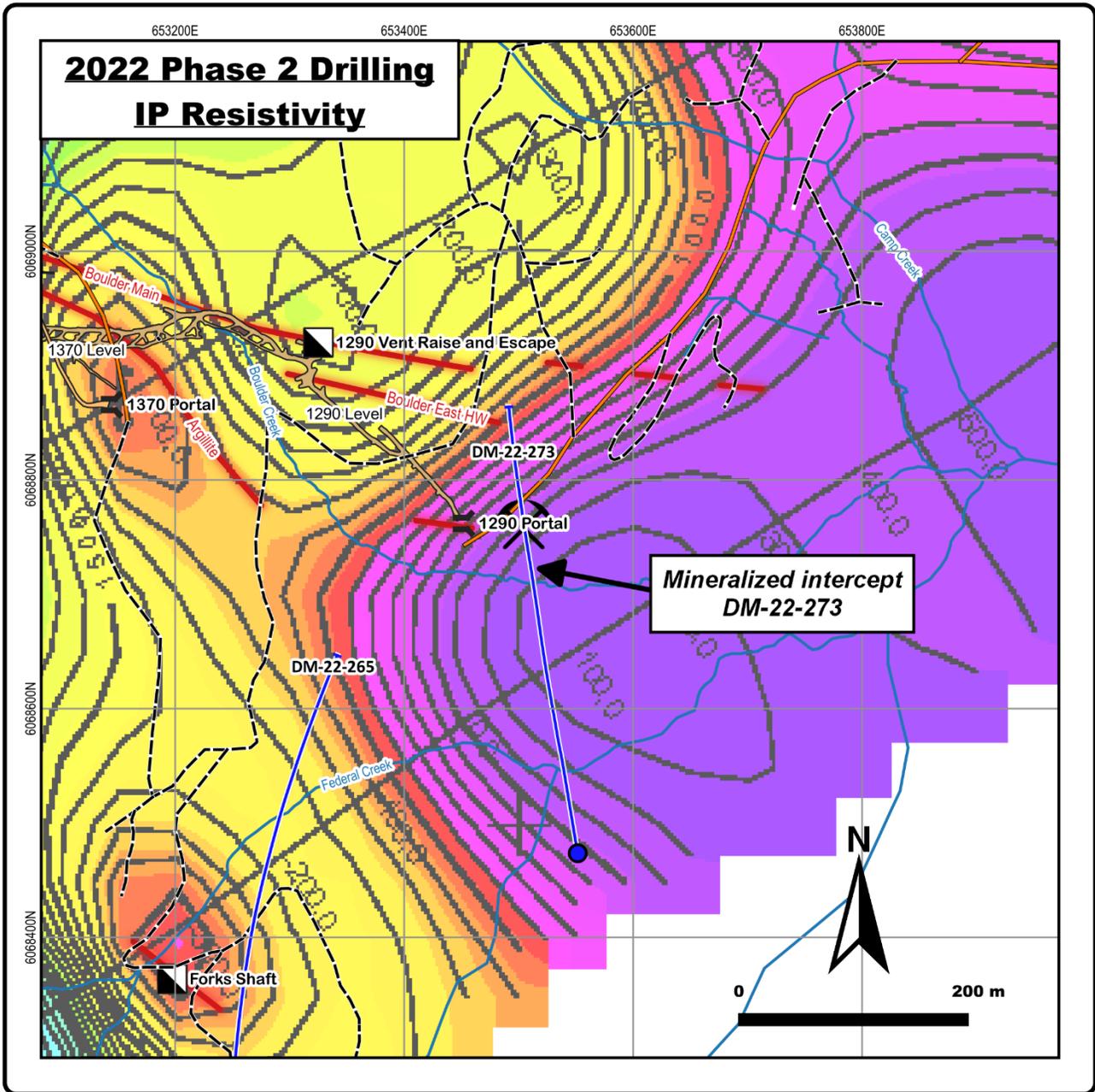
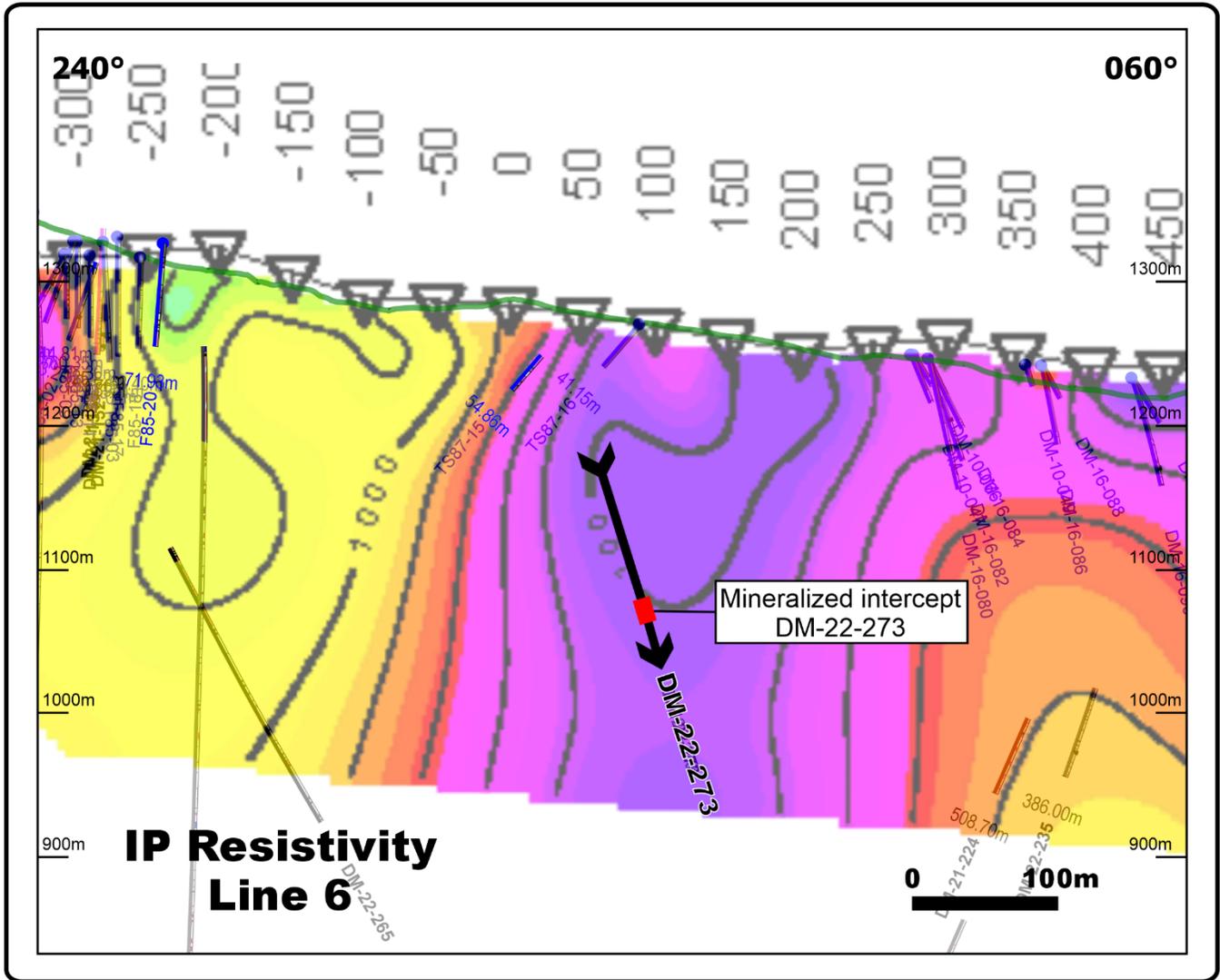


Figure 3



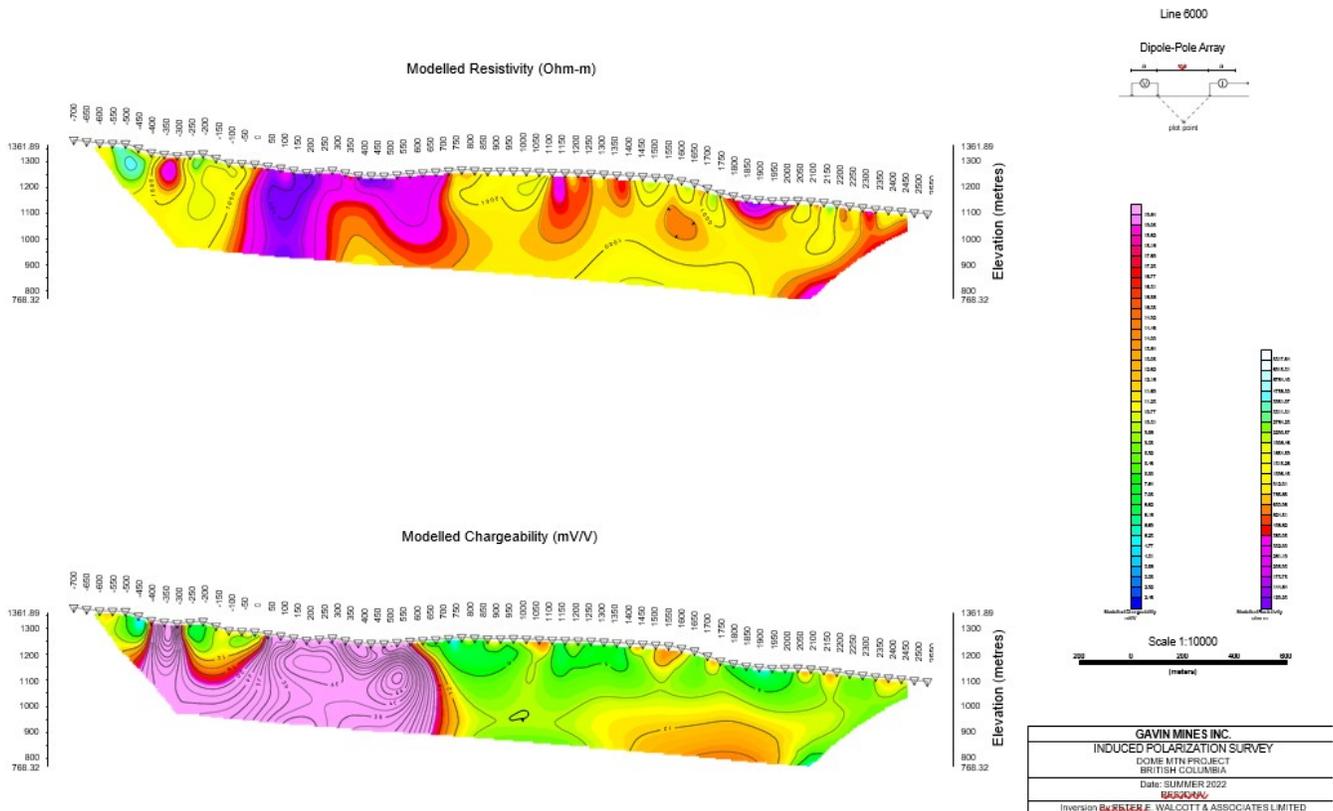


Figure 5 comparison of IP Resistivity and chargeability along Line 6

“The ground geophysical program completed in 2023 was a great success for us”, stated Bill Cronk, Chief Geologist for Blue Lagoon Resources. “We wished to define the ability of an IP program to not only identify existing known mineralized structures but also to define further targets for drilling in our upcoming 2023 program. Both goals were accomplished. We can clearly see that the IP sections, especially resistivity, correlated with known mineralization as well as highlighted targets for follow-up drilling during our 2023 drilling program which is scheduled to commence shortly.”

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.

For further information, please contact:

Rana Vig
 President and Chief Executive Officer
 Telephone: 604-218-4766
 Email: rana@ranavig.com

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