

Blue Lagoon Sells ~C\$1 Million of Gold and Silver from Dome Mountain's Initial Production to Ocean Partners

December 30, 2025 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (“Blue Lagoon” or the “Company”) (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) is pleased to announce that it has made its first sale of gold and silver to Ocean Partners UK Limited (“Ocean Partners”) from the Dome Mountain mineralized material that was delivered earlier this month to the Company’s milling partner, Nicola Mining Inc. (“Nicola”), for processing.

The Company expects to receive C\$970,000 in connection with this initial delivery, representing its first sale related to production from Dome Mountain.

This payment represents an advance on the first shipment of approximately 1,000 tonnes of mineralized material delivered to Nicola, as processing has not yet occurred due to scheduled mill maintenance. Final settlement is expected following processing and is subject to customary adjustments, including final assays and prevailing metal prices at the time of settlement.

Following a brief Christmas holiday break, underground development, production and shipments of mineralized material are expected to resume in the first week of January. Further disclosure regarding the grades of the initial shipment will be provided following processing of the material by Nicola.

The Company views this milestone as a significant inflection point, marking Blue Lagoon’s transition from a pre-revenue to a revenue-generating mining company, joining a select group of junior mining companies that have successfully advanced from development into production and sale of gold and silver.

“This sale marks a significant milestone for Blue Lagoon,” said Rana Vig, President & CEO. “The Company is now focused on continued execution as we advance on development and production activities, increase throughput, and work toward consistent, steady-state operations,” he added.

The Company also announces that it has granted an aggregate of 3,000,000 restricted share units (“RSUs”) and 200,000 stock options to certain directors, officers, management and consultants of the Company pursuant to the Company’s omnibus equity incentive plan. The RSUs and Options vest immediately upon grant. The stock options are exercisable at a price of \$0.66 per share and will expire five years from the date of issuance. The grant of the RSUs and Options is subject to approval by the Canadian Securities Exchange.

For further information, please contact:

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About Blue Lagoon Resources Inc.

Blue Lagoon Resources Inc. (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) is a Canadian-based, well-funded, growth-oriented mining company focused on advancing its 100% owned Dome Mountain Gold Project in British Columbia. Led by a team with deep mining and finance experience, the Company operates in one of the world's most attractive mining jurisdictions.

In February 2025, Blue Lagoon achieved a major milestone with the granting of a full mining permit - one of only nine issued in British Columbia since 2015 - and has since commenced underground mining operations. Mineralized material from Dome Mountain will be processed under a long-term toll milling agreement with Nicola Mining. Beginning in H1 2026, the Company plans to reinvest internally generated cash flow into near-mine and regional exploration to further expand its resource base.

With a strong commitment to sustainability, community, and First Nation engagement, Blue Lagoon's objective is to become a profitable, cash-flowing gold producer while creating lasting value for shareholders and stakeholders alike.

The Company is not basing its production decision at Dome Mountain on a feasibility study of mineral reserves demonstrating economic and technical viability. The production decision is based on having existing mining infrastructure, past bulk sampling and processing activity, and the established mineral resource. The Company understands that there is increased uncertainty, and consequently a higher risk of failure, when production is undertaken in advance of a feasibility study.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statement

This news release contains forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable Canadian securities laws, including statements regarding the expected timing of processing of Dome Mountain mineralized material, the anticipated timing for production and shipments, and the expected receipt of proceeds from the initial sale of gold and silver. Forward-looking information is based on management's current expectations, estimates, assumptions and beliefs, which involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, prospects or opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release is generally identified using words such as "expects", "anticipates", "plans", "believes", "estimates", "may", "could", "will", "would" or similar expressions, or statements that events or conditions "will" occur. Although the Company believes that the assumptions underlying such forward-looking information are reasonable as at the date hereof, there can be no assurance that actual results will be consistent with these forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in the forward-looking information include, but are not limited to, mill scheduling and maintenance delays, variability in processing outcomes, fluctuations in metal prices, operational and logistical risks, availability and performance of third-party services, and general economic, market and business conditions. Forward-looking information is provided for the purpose of informing readers about management's expectations and plans and to assist investors in understanding the Company's business objectives. Readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date hereof. Except as required by applicable law, the Company undertakes no obligation to update or revise any forward-looking information contained in this news release, whether as a result of new information, future events or otherwise.