

MESSAGE FROM THE PRESIDENT & CEO OF BLUE LAGOON RESOURCES

Dear Shareholders and Investors,

We are now at one of the most exciting moments in Blue Lagoon Resources' history. With our final mine permits now secured, we have officially entered the final stretch toward gold and silver production at our high-grade Dome Mountain Gold Project.

A Rare and Unique Opportunity

Most junior mining companies spend years exploring with only the hope of one day making it to production. Those few that do receive a mine permit must still raise and spend tens - if not hundreds - of millions of dollars to build infrastructure and fund development before ever mining an ounce of gold.

Blue Lagoon is different.

Over the past few years, we have strategically invested more than \$30 million into Dome Mountain, ensuring that when we reached this milestone, we would be ready to move forward with minimal additional capital requirements. Now, with just approximately \$3 million in additional CapEx, we will be in a position to begin mining operations - a remarkably low cost compared to industry norms.

A Demonstration of Insider Confidence

To further demonstrate our confidence in the future of Blue Lagoon, both I and our director, Gurdeep Bains, have each exercised 1 million options and added these shares to our existing positions. Unlike many executives who fund their option exercises by selling stock into the market, neither of us sold a single share to finance this transaction.

This decision reflects our belief in the long-term value and growth potential of Blue Lagoon and reinforces our commitment to aligning our interests with those of our shareholders.

Strategic Path Forward

With our permits in hand, we are laser-focused on preparing for production, targeting a start date as early as July 2025.

Key activities now under way include:

- Engaging technical staff and mining contractors
- Completing the installation of the planned water treatment facility
- Finalizing infrastructure and equipment needs

As we transition into production, our strategy is clear: generate and reinvest cash flow from operations to self-fund future exploration. Dome Mountain is a district-scale property with 15 known high-grade gold veins spread across its vast 20,000 plus hectares, yet less than 10% has been explored to date. Our goal is to unlock the full potential of this high-grade gold system while minimizing dilution to our shareholders.

Additionally, we will invest in infill drilling to expand our known resource, enhance mine planning, and extend the mine life – ensuring sustainable, long-term growth.

Strong Partnership with Lake Babine Nation

Achieving this milestone would not have been possible without the support and collaboration of Lake Babine Nation. Their leadership, guidance, and commitment to responsible resource development have been invaluable throughout this process. We are proud to have built a strong working relationship based on mutual respect and shared goals, ensuring that the Dome Mountain Project moves forward in a way that brings meaningful benefits to the community while upholding the highest environmental and operational standards. This partnership will continue to be a cornerstone of our success as we advance toward production.

Partnership with Nicola Mining: A Proven Advantage

Our toll milling agreement with Nicola Mining provides us with an efficient and cost-effective processing solution. In 2021, we successfully processed 5,000 tonnes of Dome Mountain material at Nicola’s mill, giving us invaluable real-world experience. This early work allowed us to optimize logistics, improve efficiencies, and fine-tune our operational strategy - ensuring a smooth path as we now move toward full-scale production.

Further strengthening our relationship, Nicola Mining made a \$1 million strategic investment in Blue Lagoon through a private placement announced on January 17, 2024. This investment demonstrates Nicola’s confidence in the future of Dome Mountain and our ability to execute on our production plans. Having our milling partner as a shareholder further aligns our interests, reinforcing our commitment to efficient production, cost control, and long-term value creation for all stakeholders.

Delivering Value for Shareholders

Receiving our final mine permit is an extremely rare accomplishment in the junior mining sector. Even rarer is reaching this stage with an advanced, fully permitted project and a clear, near-term path to production - with minimal capital requirements.

With strong fundamentals, a fully permitted high-grade gold mine, and a well-defined production strategy, Blue Lagoon Resources is positioned for a breakthrough year in 2025.

I want to personally thank our shareholders for your continued trust and support as we take this final step toward becoming British Columbia’s next gold and silver producer.

Sincerely,

Rana Vig
President & CEO
Blue Lagoon Resources

Any production decision in advance of obtaining a feasibility study of mineral reserves demonstrating economic and technical viability of the project is associated with increased uncertainty and risk of failure.

For further information, please contact:

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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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