

Blue Lagoon Announces Major Steps Toward Production: Fully Funded, Government Inspections Passed, and Water Treatment Plant Completed

June 30, 2025 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (the “Company”) (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) is pleased to provide a corporate update highlighting significant progress at its Dome Mountain Gold Project as it prepares to enter production in a strong gold market.

“We are fully funded, fully permitted, and now entering the final stages of mine readiness — with no short-term debt, multiple successful government inspections, and a water treatment plant that has now been completed,” said Rana Vig, President and CEO. “The confidence shown by our institutional investors, along with new strategic backing and the recently signed \$2 million line of credit — not secured against our property — from Nicola Mining, gives us the flexibility to fund mining and development without delay. We're ready — and we're moving quickly toward cash flow.”

FULLY FUNDED WITH STRONG BACKING AND NO DEBT

Blue Lagoon recently completed a successful non-brokered financing, fully subscribed by existing long-term shareholders including Crescat Capital, Phoenix Gold Fund, and Nicola Mining, alongside a small group of new strategic investors. In addition, CEO Rana Vig and Board Member Gurdeep Bains both increased their personal stakes in the Company.

The Company currently carries no short-term debt and has in-the-money warrants valued at over \$3.6 million. As further validation of the project, Blue Lagoon has secured a \$2 million line of credit from Nicola Mining, which can be drawn in \$500,000 tranches — without any encumbrance on the Company's mineral property. While the Company may ultimately never need to draw on this facility, having access to it provides an important financial backstop. It ensures capital is available if needed to support production ramp-up, seize opportunity, or manage any unforeseen short-term needs — all without causing further dilution to existing shareholders.

SENIOR UNDERGROUND GEOLOGIST HIRED TO STRENGTHEN TECHNICAL TEAM

The Company is also pleased to welcome Michael McCardal as Senior Underground Geologist. Mr. McCardal brings three decades of underground gold mining experience with producers including Ascot Resources, Barkerville Gold Mines, Pure Gold Mining, and Kirkland Lake Gold.

At Ascot's Big Missouri deposit, he led underground sampling protocols, grade tracking, and stope planning. At Kirkland Lake's Macassa and Taylor Mines, he was instrumental in ore control, face mapping, and production reconciliation.

"Mike's experience will be very helpful in establishing best-in-class grade control and optimizing early stopes as we move into production this summer," said Vig.

INSPECTIONS PASSED WITH FLYING COLOURS

As part of its final mine preparation, the Company successfully passed three separate government inspections, confirming operational readiness across critical areas:

- Electrical Inspection – Verifying compliance with site-wide above and underground power systems.
- Reclamation & Geoscience Inspection – Reviewing on-going geological reporting and reclamation progress.
- Ground Control & Health and Safety Inspection – Ensuring safe above and underground conditions and mining procedures.

"These clean inspections are a testament to the strength of our team and the standard of work being done at Dome Mountain," said Yannis Tsitos, Chair of the Company's mining committee.

CONSTRUCTION OF WATER TREATMENT PLANT COMPLETE

Construction of Blue Lagoon's water treatment system — a critical component of the Company's environmental compliance plan — is now complete and partially commissioned, as required under the Company's Mines Act permit.

The system consists of two integrated technologies: a High-Density Sludge (HDS) circuit, which is fully installed and operational, and a Moving Bed Biofilm Reactor (MBBR), designed to treat ammonia and nitrates from blasting residues using a microbial process. The MBBR circuit has also been fully constructed and is about to undergo microbial activation — a biological ramp-up that typically takes 2 to 4 weeks.

Designed to meet all regulatory discharge standards, the plant is engineered to treat mine water efficiently and in full alignment with the Company's permit conditions. Blue Lagoon worked closely with Soren Jensen, the Company's principal environmental consultant from SRK Consulting. Mr. Jensen holds a master's degree in chemical engineering and has developed, designed, commissioned, and operated mine water treatment systems for mining operations for over 20 years, including similar treatment plants at other underground gold mines in Northern Canada.

Just as importantly, the Company collaborated closely with regulatory agencies and the Lake Babine Nation throughout the design and construction process to ensure the system meets both technical and community expectations.

With the construction of the water treatment system complete and regulatory milestones achieved, the Company is advancing mine development activities in accordance with its permit. Environmental monitoring will continue during the MBBR activation phase to ensure ongoing compliance as the system reaches full operational capacity.

This milestone represents a major step toward production readiness and reinforces Blue Lagoon's commitment to responsible, permit-driven development. The official mine opening is scheduled for July 9, 2025.

About Blue Lagoon Resources Inc.

Blue Lagoon Resources is a Canadian based publicly listed mining company (CSE: BLLG; FSE: 7BL; OTCQB: BLAGF) focused on building shareholder value through the aggressive development of its 100% owned Dome Mountain Gold project. The Company is run by professionals with significant finance and mining experience and operates within a prime mining jurisdiction in British Columbia, Canada. With the granting of a full mining permit, a key milestone achieved in February 2025 - one of only nine such permits issued in British Columbia since 2015 - Blue Lagoon is now focused on last preparatory activities and tasks related to the safe and secure opening of the Dome Mountain Gold Mine, targeting Q3 2025 as the start of gold production. The Company's primary objective has always been to become a cash-flowing mining company, to ultimately deliver tangible monetary value to shareholders, state, and local communities.

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.

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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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