

**Blue Lagoon Extends Milling Agreement with Nicola Mining to 10 Years,  
Securing Long-Term Processing of Dome Mountain Mineralized Material**

**September 29, 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 signed an amended and restated Mining and Milling Partnership agreement with Nicola Mining Inc. (“**Nicola Mining**” or “**Nicola**”) (TSXV: **NIM**), extending the partnership to a 10-year term. The agreement secures a long-term processing solution for mineralized material from the Company’s recently permitted high-grade Dome Mountain Gold Project (“**Dome Mountain**”), located near Smithers, British Columbia.

Nicola Mining operates a state-of-the art, fully permitted mill and is also an equity shareholder of Blue Lagoon. Today’s announcement further strengthens the long-standing relationship between the two companies, building on Nicola’s previously announced \$2 million unsecured line of credit to Blue Lagoon on June 23, 2025. At that time, Nicola’s CEO emphasized the shared vision and strategic alignment between the two companies — a sentiment that continues to be demonstrated through this 10-year toll milling extension. This strategic alignment provides confidence that Dome Mountain mineralized material will always be given priority access to mill capacity, even as Nicola services other clients.

“Securing this long-term agreement with Nicola is a critical step in our transition from development to production,” said Rana Vig, President & CEO of Blue Lagoon Resources. “This 10-year commitment ensures Dome Mountain has a reliable and efficient pathway for processing mineralized material and concentrate sales, underscoring our ability to move quickly toward near-term cash flow as we work to expand our project, all without Company’s dilution. Our partnership with Nicola has grown considerably over the past year, and this latest agreement is a testament to that strengthened relationship.”

Peter Espig, CEO of Nicola Mining said, “we are extremely pleased to extend our agreement with Blue Lagoon”. “As both a mill operator and an equity holder in Blue Lagoon, we are fully aligned with the Company’s success. Our \$2 million line of credit, announced in June, together with today’s milling agreement extension, further demonstrates Nicola’s confidence in Blue Lagoon. Nicola is committed to processing Blue Lagoon mill feed and continues to make strategic investments to support further growth.”

The amended agreement builds on the Company’s recent milestones at Dome Mountain, including the commissioning of its water treatment plant and the commencement of underground blasting

and mining operations. Together, these achievements highlight Blue Lagoon's readiness to deliver production in a responsible and efficient manner.

The Company also announces that it has granted 3.5 million options to consultants and advisors of the Company. The options have an exercise price of \$0.57, a five-year term and vest immediately.

**For further information, please contact:**

Rana Vig  
President and CEO  
Telephone: 604-218-4766  
Email: [ranavig@bluelagoonresources.com](mailto:ranavig@bluelagoonresources.com)

**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, with first gold sales targeted for Q4 2025. 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.*

*Statement Regarding Forward-Looking Information: This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address*

events or developments that Blue Lagoon Resources Inc. (the "Company") expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "targets", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "mine", "production" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include results of exploration activities may not show quality and quantity necessary for further exploration or future exploitation of minerals deposits, volatility of gold and silver prices, delays in mine development activities, future cash flow expectations and continued availability of capital and financing, permitting and other approvals, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management, contractors and consultants on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's, contractor's and consultants' beliefs, estimates or opinions, or other factors, should change.