

Blue Lagoon Announces Commissioning of MBBR Water Treatment System and Start of Underground Operations at Dome Mountain

September 15, 2025 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (“Blue Lagoon” or the “Company”) (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) is pleased to announce that the Moving Bed Biofilm Reactor (“MBBR”) system at its Dome Mountain Water Treatment Plant is now ready for commissioning.

Designed to meet all regulatory discharge standards, the plant was developed in close collaboration with Soren Jensen, the Company’s principal environmental consultant from SRK Consulting. Mr. Jensen, who holds a masters degree in chemical engineering, has more than 20 years of experience designing, commissioning, and operating mine water treatment systems, including similar facilities at underground gold mines in Northern Canada. His expertise ensures that the Dome Mountain system is engineered to treat mine water efficiently, in full compliance with permit conditions, and in alignment with Blue Lagoon’s commitment to environmental stewardship.

The MBBR system is part of Dome Mountain’s state-of-the-art Water Treatment Plant, which is designed to treat up to 400 liters per minute (“L/min”). Current mine water output is approximately 20-40 L/min, ensuring ample capacity as operations scale. This robust infrastructure underscores Blue Lagoon’s commitment to environmental stewardship while supporting safe and efficient underground development.

MINING TO COMMENCE SEPTEMBER 24, 2025

Underground mining operations are scheduled to commence on September 24, 2025, beginning with development work. The Company expects to achieve a steady ramp-up to 100 tonnes per day (“tpd”) within four weeks and 150 tpd within twelve weeks. By that point the Company expects to have five to six working faces exposed, providing strong operational flexibility. Importantly, all mine waste will remain underground, further aligning with the Company’s environmental and regulatory commitments.

To enhance operational readiness and safety, Blue Lagoon has signed a Mutual Aid Agreement with New Gold Inc., reinforcing its collaborative approach and ensuring rapid access to additional emergency support if ever required.

The Company's underground program will be led by Mike McCartin, a seasoned underground mining geologist who will oversee daily operations and training of mine staff. Complementing this, a Senior Mining Engineer from Roughstock Mining Services will establish mining protocols, standard operating procedures (SOPs), and underground surveying requirements, ensuring industry best practices are embedded from day one.

"As we commission the MBBR system and prepare to send our crews underground to commence operations, Blue Lagoon is entering a transformational phase," said Rana Vig, President & CEO of Blue Lagoon Resources. "With a fully permitted project, the right infrastructure, and a strong technical team, we are well positioned to generate near-term cash flow, while minimizing risk and maximizing efficiency. Dome Mountain is rare in British Columbia, one of only nine projects permitted since 2015, and we are proud to be advancing it responsibly, with safety and environmental care at the forefront."

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.

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.

