

Blue Lagoon Delivers 1,000 Tonnes to Milling Partner - Processing Expected to Begin by Week's End

December 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 it has now delivered its initial 1,000 tonnes of mineralized material from its Dome Mountain gold mine to its milling partner, Nicola Mining.

This delivery marks an important operational milestone in the Company’s transition to production. With the initial tonnage now delivered, Blue Lagoon expects processing of Dome Mountain mineralized material to begin by the end of this week, subject to normal mill scheduling and planned maintenance activities.

“This is a significant milestone for Blue Lagoon,” said Rana Vig, President & CEO. “Delivering our initial 1,000 tonnes marks a key de-risking milestone and sets the stage for processing to begin by the end of this week. We are now on the doorsteps of a major transition - from a pre-revenue company to a revenue-generating gold producer, all against the backdrop of a historically strong gold market.”

Operational Update

The Company has been focused on advancing underground development and the mine-to-mill workflow, including mineralized material handling and logistics, stockpile management, and coordinating delivery schedules to support ongoing processing. As milling begins, the Company expects to provide the market with additional updates on operational progress, including ongoing deliveries, processing timelines, and other milestones related to the ramp-up phase.

In addition, the Company is pleased to announce that it has signed a lease for a new facility that will host Blue Lagoon’s own assay laboratory, and the procurement process for equipment has commenced. Establishing an in-house assay lab is expected to shorten assay times and provide quick and accurate information to the Company’s underground team to accelerate mining decisions.

Path to Revenue Generation

Commencing processing is a pivotal step for Blue Lagoon as it moves toward generating revenue from gold production. With Dome Mountain now advancing into this next phase, management’s near-term priority is consistent execution - delivering mineralized material, supporting steady processing, and progressing through the early production cycle in a disciplined manner.

The Company will provide additional updates as processing begins and operations progress.

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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, 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.

Forward-Looking Statement

This news release contains forward-looking statements, including statements regarding the expected timing of processing of Dome Mountain mineralized material and the Company's plans to establish an in-house assay laboratory and the expected operational benefits of doing so. Forward-looking statements are based on management's current expectations and assumptions and are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially. These risks include, without limitation, operational and logistical risks; mill scheduling and planned maintenance activities; the availability and performance of third-party services; and timing for equipment procurement and implementation for the Company's planned assay laboratory, and other risks described in the Company's public disclosure filings. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update forward-looking statements, except as required by applicable securities laws.