

Blue Lagoon Adds Second Underground Shift as Dome Mountain Moves Into Higher-Throughput Phase

January 13, 2026 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) continues to strengthen its underground gold-mining operation as it advances towards achieving its production targets. Now that the initial underground development has opened up enough working spaces, the addition of a second underground production shift this week is expected to increase output across multiple active mining faces, supported by the arrival of additional underground equipment last week. This will accelerate both production and development activities.

Shipments of mineralized material to the Company’s toll milling partner continue, with six trucks scheduled to leave this week. Shipment volumes are expected to double starting next week as underground mining rates increase. By month-end, additional mining faces are expected to come online, further supporting a steady and repeatable production and delivery cadence.

As part of its ongoing focus on operational efficiency and disciplined mine planning, the Company recently engaged mining consultant Tom Rannelli of TK Mining and Construction, who was on site last week to work closely with the site team to optimize development and enhance underground productivity.

“As we move into a higher-throughput phase of operations, we are bringing in experienced underground specialists to help refine mine planning and execution,” said Rana Vig, President and CEO of Blue Lagoon Resources. “These orderly steps are already translating into increased productivity across multiple faces and are positioning Dome Mountain for a consistent and sustainable production profile.”

For further information, please contact:

Rana Vig

President and Chief Executive Officer

Telephone: 604-218-4766

Email: rana@bllg.ca

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 producing from its 100% owned Dome Mountain Gold Mine near Smithers, 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 is processed under a long-term toll milling

agreement with Nicola Mining. 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 on its extensive property.

With a strong commitment to sustainability, community, and First Nation engagement, Blue Lagoon's objective is to be 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 within the meaning of applicable securities laws. Forward-looking statements in this news release include, but are not limited to, statements regarding the addition of a second underground production shift, anticipated increases in underground mining rates, expected shipment volumes and timing, the bringing of additional mining faces into production, and the Company's ability to achieve a consistent and sustainable production profile at the Dome Mountain Gold Project. Forward-looking statements are based on management's current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, risks related to underground mining operations, equipment availability and performance, labour availability, geological conditions, permitting and regulatory compliance, toll milling and transportation arrangements, commodity price fluctuations, and general economic, market, and industry conditions. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable securities laws, the Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.