

## **Blue Lagoon Resources Completes Second Sale of \$1.4 Million of Dome Mountain Mineralized Material – Milling Now Underway**

**February 20, 2026 – Vancouver, British Columbia** – Blue Lagoon Resources Inc. (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) is pleased to announce that it has received a second advance payment of ~ CAD \$1.4 million from its milling partner, Nicola Mining, for 1000 tonnes of stockpiled mineralized material from the Company’s 100%-owned Dome Mountain Gold and Silver Project.

To date, approximately 3,700 tonnes of Dome Mountain mineralized material have been delivered to the mill site and are currently stockpiled pending processing. Of this amount:

- The Company previously received an advance payment for 1,000 tonnes.
- It has now received a second advance payment for an additional 1,000 tonnes.

These advances are subject to final reconciliation following milling and settlement.

Processing of the Dome material was originally expected to occur earlier this month, however, to ensure the highest operational standards and recoveries, Nicola has conducted comprehensive plant cleanup and maintenance along with component replacements at their mill facility. Now that these operational improvements are complete, Dome Mountain mineralized material is being processed at the mill.

Peter Espig, President & CEO of Nicola Mining Inc., commented:

“We value our relationship with Blue Lagoon and are excited to start this next chapter in our strategic partnership with the commencement of processing Dome Mountain mineralized material. Blue Lagoon has demonstrated strong operational execution in advancing Dome Mountain to this stage, and we look forward to supporting their transition into consistent gold and silver production.”



Dome Mountain Mineralized Material being loaded into Nicola mill’s primary crusher

Rana Vig, President and CEO of Blue Lagoon Resources, stated:

“This is a meaningful milestone for Blue Lagoon. Advance payments of this scale reflect growing confidence in Dome Mountain as a reliable production asset. We are executing on our strategy: advancing production, shipping material, and building momentum. As processing continues, we expect this to mark the next phase of consistent operational cash flow and continued growth for the company.”

The advance payments provide working capital to support ongoing underground development and production activities as the Company advances Dome Mountain. The Company will provide updates as milling progresses and will report final reconciled grades and recoveries once processing is completed.

**For further information, please contact:**

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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 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 milling agreement with Nicola Mining. Beginning in H2 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 information within the meaning of applicable Canadian securities laws. Forward-looking information includes, but is not limited to, statements regarding ongoing and future milling operations, expected operational performance and recoveries, anticipated reconciliation of advance payments

following processing and settlement, the expectation of consistent operational cash flow, continued growth of the Company, and the advancement of underground development and production activities at the Dome Mountain Gold and Silver Project. Forward-looking information is based on management's current expectations, estimates, assumptions and beliefs, including, without limitation, assumptions regarding continued processing at the mill facility, anticipated grades and recoveries, the ability to continue mining and delivering mineralized material, commodity price assumptions, and general economic and market conditions. While the Company believes that these assumptions are reasonable, forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking information. Such risks and uncertainties include, without limitation, delays in milling or processing, variations in grade and recovery rates, operational risks associated with underground mining, risks related to third-party milling arrangements, fluctuations in gold and silver prices, regulatory and permitting risks, financing risks, and general economic, market and business conditions. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated. Readers are cautioned not to place undue reliance on forward-looking information. The Company undertakes no obligation to update or revise any forward-looking information, except as required by applicable securities laws.