

BLUE LAGOON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended June 30, 2025 and 2024

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of August 29, 2025, and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended June 30, 2025 and 2024, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of Blue Lagoon Resources Inc. ("Blue Lagoon" or the "Company") unless specifically noted.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding future results of operations, performance, and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties, and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

DESCRIPTION OF BUSINESS

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on March 17, 2017. The Company's main focus is on exploring and developing its Dome Mountain Gold Project located near Smithers, BC Canada. In February 2025, the Company obtained their final mine permit for its Dome Mountain Project allowing for initial production of up to 55,000 tonnes per year. The Company holds an active toll-milling agreement with Nicola Mining and will ship its mined mineralized material to their milling facilities at Merritt, B.C. for processing. In July 2025, the Company commenced pre-production work on the Dome Mountain project following the official opening of the mine on July 9, 2025.

The address of the Company's registered office is Suite 1200, 750 West Pender Street, Vancouver, British Columbia.

The Company's common shares trade on the Canadian Securities Exchange under the stock symbol "BLLG" and in the United States on the OTCQB under the symbol "BLAGF."

Refer to "Exploration Projects" below for a detailed discussion of the Company's mineral resource interests.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
 For the three months ended June 30, 2025 and 2024
 (Expressed in Canadian dollars)

The following table summarizes the balance of exploration and evaluation assets as at June 30, 2025 and March 31, 2025 and the changes in exploration and evaluation assets for the periods then ended.

	<i>Dome Mountain Mine</i>	<i>Big Onion Project</i>	<i>Total</i>
	\$	\$	\$
Balance, March 31, 2024	22,772,809	-	22,772,809
Acquisition costs – non-cash	20,000	-	20,000
Acquisition costs – cash	25,000	-	25,000
Transfer to development asset	(22,817,809)	-	(22,817,809)
Balance, March 31, 2025 and June 30, 2025	-	-	-

During the year ended March 31, 2025, the balance of exploration and evaluation assets decreased by \$22,772,809 as a result of the reclassification of the Dome Mountain costs to mineral property development asset under property, plant and equipment.

During the three months ended June 30, 2025, the Company incurred exploration and evaluation expenses of \$562,151, which related to the Dome Mountain Mine and costs incurred in bringing the mine to development.

A breakdown of exploration and evaluation expenses by nature are summarized in the table below.

	2025	2024
For the three months ended June 30,	\$	\$
Drilling	19,217	3,314
Salaries and wages	366,139	65,275
Geological consulting	74,033	92,286
Environmental and permitting	808	29,110
Sampling and assays	1,066	15,196
Equipment, vehicles, and freight	92,541	-
Supplies and other	8,347	4,317
	562,151	209,498

During the three months ended June 30, 2025, the Company incurred salaries and wages of \$366,139 compared to \$65,275 during the three months ended June 30, 2024. The increase is due to the Company adding personnel to support operations for commercial production. Upon receipt of the final mining permit for the Dome Mountain project in February 2025, the Company is focused on finishing last preparatory activities and tasks related to the safe and secure opening of Dome Mountain Mine. This resulted in an increase in overall exploration and evaluation expenses from \$209,498 during the three months ended June 30, 2024 to \$562,151 during the three months ended June 30, 2025.

Refer to the Company's press releases for detailed results of the drill, soil sampling, and ground geophysical programs which are available on the SEDAR+ website at <https://www.sedarplus.ca> and on the Company's website.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

On February 2, 2022, the Company filed a technical report titled "*Mineral Resource Estimate for the Dome Mountain Gold Project, Smithers, British Columbia, Canada*" (the "Technical Report") which can be found on the SEDAR+ website at <https://www.sedarplus.ca> and on the Company's website. Refer to the Technical Report and the Company's press release dated February 3, 2022 for additional detail of the resource estimate on the Dome Mountain Mine.

Dome Mountain Mine Group

On March 27, 2020, the Company acquired Dome Mountain Mine group of properties and Big Onion Project, both located near the town of Smithers in northwest British Columbia from the acquisition of Metal Mountain Resources Inc.

The Company holds a reclamation deposit of \$659,306 related to the Dome Mountain Mine.

The Company owns 100% interest in the following mineral properties of the Dome Mountain Mine Group:

- Dome Mountain Project
 - Upon the property commencing production, the Company agreed to pay an NSR equal to the greater of 1.5% or \$30,000 per annum as an advanced royalty. The Company made the annual royalty payment of \$30,000 on January 30, 2024 and 2023. In January 2025, the optionor agreed to extend the annual royalty payment to on or before October 1, 2025.
 - As at December 31, 2024, the Dome Mountain Project had not commenced commercial production. On February 2025, the Company received permits from the Ministry of Mining and Critical Minerals and its effluent/discharge permit from the Ministry of Environment and Parks.
- Freegold Property
 - The interest in the property will be subject to a 2% NSR and the Company is required to make annual royalty payments of \$20,000 per annum. The Company has the right to purchase 1% of the NSR for the aggregate sum of \$1,000,000. The Company made the annual royalty payment of \$20,000 on February 29, 2024. On March 4, 2025, the Company issued 70,175 common shares in settlement of the \$20,000 annual royalty payment due February 2025
- McKendrick Property
 - The interest in the property will be subject to an NSR of 2.5% and the Company is required to make annual royalty payment of \$25,000 per annum.
 - The Company paid the 2024 and 2023 annual royalty payments of \$25,000 on July 5, 2024 and 2023.
- Hilo Property; and
- Federal Creek Property
 - The interest in the property will be subject to a 3% NSR.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

On December 15, 2023, the Company entered in an agreement with the Lake Babine Nation to restart the Dome Mountain Mine. The obligations for this agreement are as follows:

- \$10,000 in cash payable within a week from December 15, 2023 (paid)
- \$25,000 in cash payable within a week of the issuance of all Crown Authorizations for mine restart
- \$50,000 in cash payable within a week of the mine starting production

Big Onion Project

On March 27, 2020, the Company acquired Dome Mountain Mine group of properties and Big Onion Project, both located near the town of Smithers in northwest British Columbia from the acquisition of Metal Mountain Resources Inc.

The Company holds a reclamation deposit of \$35,000 related to the Big Onion Project.

On December 6, 2021, the Company entered into an option agreement with Blackbird for a 100% ownership and beneficial interest in the Big Onion property. In order to exercise its option on the Big Onion property, Blackbird is required to make cash and share payments to the Company and incur exploration and development expenditures on the property, as summarized below. The property is subject to an aggregate 3% net smelter return held by Metal Mountain Resources Inc. (1.125%) and an unrelated third party (1.875%).

- \$500,000 in cash paid in the following installments:
 - o \$50,000 upon execution of the agreement; (received)
 - o \$50,000 on or before 12 months from the date on which the common shares of Blackbird are listed on a Canadian stock exchange (April 11, 2022, the "Purchaser's Listing Date") (received);
 - o \$50,000 on or before 24 months following the Purchaser's Listing Date;
 - o \$100,000 on or before 36 months following the Purchaser's Listing Date; and
 - o \$250,000 on or before 48 months following the Purchaser's Listing Date.
- 2,000,000 common shares of Blackbird issued in the following installments:
 - o 1,000,000 common shares upon execution of the agreement issued into escrow and released in the following installments:
 - 100,000 on the Purchaser's Listing Date (released)
 - 150,000 6 months following the Purchaser's Listing Date (released)
 - 150,000 12 months following the Purchaser's Listing Date (released)
 - 150,000 18 months following the Purchaser's Listing Date (released)
 - 150,000 24 months following the Purchaser's Listing Date (released)
 - 150,000 30 months following the Purchaser's Listing Date (released)
 - 150,000 36 months following the Purchaser's Listing Date (released)
 - o 250,000 common shares on or before 24 months following the Purchaser's Listing Date;
 - o 250,000 common shares on or before 36 months following the Purchaser's Listing Date; and
 - o 500,000 common shares on or before 48 months following the Purchaser's Listing Date.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

- \$1,500,000 expenditures on the Big Onion project as follows:
 - o \$250,000 on or before 12 months following the Purchaser's Listing Date (fulfilled);
 - o An additional \$250,000 on or before 24 months following the Purchaser's Listing Date;
 - o An additional \$250,000 on or before 36 months following the Purchaser's Listing Date; and
 - o An additional \$750,000 on or before 48 months following the Purchaser's Listing Date.

On April 11, 2024, Blackbird terminated the option agreement. During the year ended March 31, 2024, the Company recorded an impairment with respect to the Big Onion Property resulting in a carrying value of \$nil.

RESULTS OF OPERATIONS

The following table summarizes the Company's financial results for the three months ended June 30, 2025 and 2024.

	2025	2024	Change
Three months ended June 30,	\$	\$	\$
General and administrative expenses	238,879	30,502	208,377
Consulting fees	195,838	39,850	155,988
Exploration expenses	562,151	209,498	352,653
Marketing	17,917	222	17,695
Professional fees	22,598	27,490	(4,892)
Share-based compensation	331,894	-	331,894
Total operating expenses	1,369,277	307,562	1,061,715
Accretion	43,369	50,161	(6,792)
Interest income	(23,045)	(12,795)	(10,250)
Fair value (gain) loss on marketable securities	186	150,000	(149,814)
Net loss and comprehensive loss	1,389,787	494,928	894,859

For the three months ended June 30, 2025, the Company incurred a loss of \$1,389,787 compared to a loss of \$494,928 for the prior period. The increase in loss of \$894,859 is explained below.

The Company experienced an increase of \$208,377 in general and administrative expenses during the three months ended June 30, 2025 with the main contributing factors being higher travel costs associated with participation in multiple investor summit events and mining industry events.

During the three months ended June 30, 2025 and 2024 the Company incurred consulting expenses of \$195,838 and \$39,850, respectively. The increase of \$155,988 is due to consulting services on the Company's expansion efforts.

Exploration expenses incurred for the three months ended June 30, 2025 totaled \$562,151 (2024 - \$209,498). The increase in exploration expenses of \$352,653 is due to an increase in activity as the Company prepares to enter production. Refer to "Exploration Projects" for additional detail.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

The Company incurred marketing expenses for the three months ended June 30, 2025 and 2024 of \$17,917 and \$222, respectively, representing an increase of \$17,695 period over period. The increase in marketing expenses is a result of the Company's marketing efforts with third parties for services to increase its news dissemination and produce new corporate videos.

Professional fees for the three months ended June 30, 2025 totaled \$22,598 (June 30, 2024 - \$27,490), resulting in a decrease of \$4,892 compared to the same period of the prior year. Professional fees fluctuate based on the nature and timing of corporate and property related transactions.

Stock based compensation for the three months ended June 30, 2025 totaled \$331,894 (June 30, 2024 - \$nil), resulting in an increase of \$331,894 compared to the same period of the prior year due to the issuance of stock options and restricted share units during the three months ended June 30, 2025.

During the three months ended June 30, 2025, the Company incurred accretion expense of \$43,369, as compared to \$50,161 during the same period in the prior year, which related solely to the Company's asset retirement obligation. The decrease in accretion expense is due to a decrease in the interest rate and inflation rate applied to the estimated future cashflows of the asset retirement obligation.

The Company earns interest income on cash and deposit balances. Interest income increased by \$10,250 during the three months ended June 30, 2025 compared to the same period in prior year due to higher average cash balances held and the GST refund interest received.

As of June 30, 2025, the fair value of the common shares of Blackbird was determined to be \$3,189, based on the closing share price of Blackbird on that date, resulting in the recognition of a fair value loss on marketable securities during the three months ended June 30, 2025 of \$186 (June 30, 2024 - \$150,000).

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the financial results of the Company for each of the eight most recently completed three-month periods prepared under IFRS.

Three months ended	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Loss and comprehensive loss	(1,389,787)	(1,391,106)	(1,193,712)	(345,053)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.00)
Three months ended	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Loss and comprehensive loss	(494,928)	(910,222)	(540,651)	(747,717)
Loss per share (basic and diluted)	(0.00)	(0.01)	(0.01)	(0.01)

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

Historical quarterly results of operations and loss per share data do not necessarily reflect any recurring expenditure patterns or predictable trends. The Company's expenditures are driven by the availability of financing to fund continued operations and exploration programs. Net loss decreased for the three months ended December 31, 2023 due to a decrease in the fair value loss on marketable securities as a result of fluctuations in the fair value of marketable securities compared to the previous quarter. Net loss increased for the three months ended March 31, 2024 due to impairment of the Big Onion. Net loss decreased for the three months ended June 30, 2024, due to the impairment of the Big Onion property recognized in the prior quarter. The net loss decreased for the three months ended September 30, 2024, was due to the decrease in exploration costs due to reduced activity. The net loss increase for the three months ended December 31, 2024, was due to share-based compensation recognized in relation to the October 30, 2024 grant. The net loss increase for the three months ended March 31, 2025, was due to an increase in accretion expenses, exploration expenses and share-based compensation. Net loss increased for the three months ended June 30, 2025 due to the increase in exploration costs due to higher level of activity as the Company prepared for the Dome Mountain mine opening which took place on July 9, 2025.

SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value for issuance.

The Company has securities outstanding as follows:

Security Description	June 30, 2025	Date of Report
Common shares	140,778,781	143,928,781
Restricted share units vested	2,337,500	175,000
Restricted share units unvested	262,500	175,000
Warrants	11,691,656	11,691,656
Stock options	10,937,500	13,787,500
Fully diluted shares	166,007,937	169,757,937

For the three months ended June 30, 2025:

- On April 17, 2025, 454,545 common shares were issued upon exercise of 454,545 warrants at a price of \$0.14 per warrant for gross proceeds of \$63,636. Upon exercise, a fair value of \$nil was reclassified from reserves into share capital.
- On April 29, 2025, the Company closed the fourth tranche of their non-brokered private placement issuing 8,900,000 units at a price of \$0.25 per unit, for aggregate gross proceeds of \$2,225,000. Each unit consists of one common share in the capital of the Company and one-half of one transferrable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.35 per share until April 29, 2027. A value of \$2,225,000 was allocated to the common shares in accordance with the residual value method. In connection with the non-brokered private placement, the Company incurred cash finders' fees of \$46,000 and issued 4,000 finder's warrants with an estimated fair value of \$1,281 calculated using the Black-Scholes pricing model and following inputs: risk-free interest rate of 2.56%, expected life of 2 years, annualized volatility of 135.6%, exercise price of \$0.35, and share price of \$0.45. Additionally, the Company incurred cash share issuance costs of \$19,203.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

- On June 24, 2025, 250,000 stock options were exercised at a price of \$0.25 per option for gross proceeds of \$62,500. Upon exercise, the Company transferred \$44,560 from reserves to share capital. As of June 30, 2025 the Company recognized an obligation to issue shares in connection with this exercise.
- During the three months ended June 30, 2025, the Company received proceeds of \$26,000 in connection with 200,000 options exercised subsequent to the period end. As of June 30, 2025 the Company recognized an obligation to issue shares in connection with this exercise.
- On May 15, 2025, the Company issued 350,000 RSUs with 25% immediate vesting and 25% to vest every three months thereafter. Upon issuance, the Company recognized share-based compensation of \$175,000 estimated using the fair-value of the shares based on the market trading price on issue date. As of June 30, 2025, the Company recognized an obligation to issue shares of \$43,750 in connection with the obligation to issue 87,500 common shares for RSUs vested in the period.

As at June 30, 2025, the balance of obligation to issue shares includes:

- long-term accounts payable to be settled of \$2,271,767 (March 31, 2024 - \$2,271,767) over 30 months beginning on the date of the commencement of commercial production on the Dome Mountain Project
- \$437,500 (March 31, 2025 - \$393,750) in connection with 2,337,500 (March 31, 2025 - 2,250,000) common shares to be issued for RSUs vested.
- Proceeds of \$26,000 received in advance as of June 30, 2025 (March 31, 2025 - \$nil) in connection with 200,000 common shares to be issued upon the exercise of 200,000 stock options on July 3, 2025
- \$107,060 in connection with the exercise of 250,000 stock options for gross proceeds of \$62,500. Upon exercise, the Company transferred \$44,560 from reserves to share capital.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2025, the Company had cash of \$2,763,410 (March 31, 2025 - \$1,410,147) and working capital surplus of \$2,953,260 (March 31, 2025 - \$2,231,015). The increase in working capital of \$722,245 during the three months ended June 30, 2025 is primarily due to the increase in cash of \$1,353,263.

The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

The Company's cash flows for the three months ended June 30, 2025 and 2024 are summarized below.

	2025	2024
Three months ended June 30,	\$	\$
Cash used in operating activities	(1,284,006)	(303,624)
Cash used by investing activities	(575,164)	-
Cash provided by financing activities	3,212,433	-
Change in cash during the period	1,353,263	(303,624)
Cash, beginning of the period	1,410,147	816,615
Cash, end of the period	2,763,410	512,991

Operating activities

Cash used in operating activities adjusts loss for the period for non-cash items including, but not limited to, accretion expense, stock-based compensation, and gains and losses recorded on investments. Cash used in operating activities also reflects changes in working capital items, such as receivables, prepaid expenses and amounts payable, which fluctuate in a manner that does not necessarily reflect predictable patterns for the overall use of cash, the generation of which depends almost entirely on sources of external financing to fund operations. Refer also to "Results of Operations" above.

Investing activities

Investing activities for the three months ended June 30, 2025 totalled \$575,164 which relate to additions to property, plant and equipment in connection with the development of the Dome Mountain property. During the three months ended June 30, 2025, the Company incurred \$367,939 in construction costs associated to the water treatment plant at the Dome Mountain mine.

During the three months ended June 30, 2024, there were no investing activities.

Financing activities

During the three months ended June 30, 2025, the Company received total gross proceeds of \$3,188,000 from the issuance of common shares through the closing of private placements and incurred cash share issuance costs of \$65,203. The Company also received proceeds of \$89,636 in connection with the exercise of options and warrants.

During the three months ended June 30, 2024, there were no financing activities.

The Company has no operating revenues and therefore must utilize its cashflows from financing transactions to maintain its capacity to meet ongoing operating activities. The Company has minimal debt, and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

FINANCIAL INSTRUMENTS AND RISKS

The fair values of the Company's assets and current financial liabilities are assumed to approximate their carrying values due to their short-term nature. The fair value of the Company's long-term accounts payable is assumed to approximate their carrying value, due to the nature of the item and are classified as long-term as the Company is not expected to reach commercial production within the next 12 months.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at June 30, 2025, the Company had cash of \$2,763,410 to settle current liabilities of \$188,913. The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt, or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash, deposits and receivables. The Company limits its exposure to credit loss by placing its cash and deposits with high credit quality financial institutions. The Company's receivables primarily consist of input tax credits due from the Government of Canada, and as such, receivables are not subject to significant credit risk. The Company's maximum credit risk is equal to the carrying amount of its cash, receivables, and deposits.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company does not have any variable rate debt. The interest earned on cash is insignificant and the Company does not rely on interest to fund its operations. As a result, the Company is not exposed to significant interest rate risk.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

The Company is also exposed to price risk with respect to its investment in Gama. The Company closely monitors those prices to determine the appropriate course of action. There can be no assurance that the Company can exit its position, if required, resulting in proceeds approximating the carrying value of the investment.

Currency Risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. As at June 30, 2025, the Company does not hold any financial instruments denominated in foreign currencies; as such the Company is not exposed to currency risk.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and has determined that there are no new standards that are relevant to the Company.

TRANSACTIONS BETWEEN RELATED PARTIES

Summary of key management personnel compensation:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

Remuneration attributable to key management personnel is summarized in the table below.

For the three months ended	June 30, 2025		June 30, 2024
Consulting fees	36,000	\$	36,000
	\$ 36,000	\$	36,000

(1) R2A2 Holdings Inc. and Troy Minerals, companies controlled by Rana Vig, President, CEO and Director

As at June 30, 2025, accounts payable and accrued liabilities include \$12,000 (March 31, 2025 - \$36,000) in connection with consulting fees and \$nil (March 31, 2025 - \$30,163) in connection with expense reimbursements owing to the President, CEO and director of the Company. The amount payable is unsecured, non-interest bearing and has no fixed terms of repayment.

As at June 30, 2025, receivables include \$731 (March 31, 2025 - \$731), from a company with the same key management personnel as the Company, in connection with the use of mining software subscription purchased by the Company. This receivables is unsecured, non-interest bearing, and have no fixed terms of repayment.

OTHER

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR+ website at <https://www.sedarplus.ca>.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

BLUE LAGOON RESOURCES INC.

Management's Discussion and Analysis
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

SUBSEQUENT EVENTS

On July 13, 2025, 37,500 vested stock options with an exercise price of \$0.50 expired unexercised.

On July 22, 2025, 50,000 warrants were exercised at a price of \$0.35 per warrant for gross proceeds of \$17,500. The related common shares had not been issued as of the reporting date.

On August 8, 2025, the Company granted an aggregate of 3,500,000 stock options to certain advisors and consultants of the Company. Each option is exercisable at a price of \$0.57 per common share and expires on August 8, 2027. The options vested immediately upon grant.

On August 20, 2025, 100,000 stock options were exercised at a price of \$0.60. The related common shares have not been issued as of the date of this report.

Subsequent to the three months ended June 30, 2025, the Company issued 2,250,000 shares in connection with RSUs that vested as of June 30, 2025.

Subsequent to the three months ended June 30, 2025, 250,000 common shares were issued in connection with 250,000 stock options exercised as of June 30, 2025, for gross proceeds of \$26,000 which were received during the three months ended June 30, 2025.

Subsequent to the three months ended June 30, 2025, 650,000 common shares were issued in connection with 650,000 stock options exercised for gross proceeds of \$276,000.