

Blue Lagoon Milling Partner Nicola Mining Shifts Focus Exclusively to Blue Lagoon's Gold & Silver Mineralized Material

January 29, 2026 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) continues to advance underground production at its 100%-owned Dome Mountain Gold & Silver Project as its toll-milling partner, Nicola Mining Inc. (“Nicola”), shifts its milling focus exclusively to the Company’s high-grade gold & silver mineralized material.

Nicola has now completed its remaining third-party processing obligations and is dedicating its milling capacity to material delivered from Dome Mountain. This transition provides a more streamlined processing path as Blue Lagoon continues to advance underground operations and delivers mineralized material under its existing long-term toll-milling agreement.

As previously reported, Blue Lagoon has already received payment for its initial 1,000 tonnes of mineralized material and now is continuing to build-up its stockpile, reflecting increasing underground output following the recent opening of multiple active mining faces. In addition to the initial 1,000 tonnes, the Company expects that by the end of this week approximately 1,500 additional tonnes of mineralized material will have been delivered to Nicola, bringing the total material shipped to approximately 2,500 tonnes.



Trucks being loaded at the Dome Mountain Gold & Silver Mine
with mineralized material destined for Nicola Mining

These operational advances are occurring against a strengthening gold and silver price environment, with spot gold prices recently surpassing US\$5,500 per ounce and silver trading over US\$115 per ounce. While the Company remains focused on disciplined execution and operational consistency, management believes the current gold and silver price backdrop enhances the leverage of near-term production as Dome Mountain continues to ramp up.



Dome Mountain Mineralized Material currently stockpiled at Nicola

“Our focus remains on executing safely and consistently underground while maintaining a predictable delivery cadence to our toll-milling partner,” said Rana Vig, President and CEO of Blue Lagoon Resources. “Having already been paid for our first Dome Mountain mineralized material, we are now building inventory in advance of scheduled milling as we continue to scale operations. This steady progress positions the Company well as gold and silver prices continue to soar.”

Blue Lagoon will continue to provide updates as underground development advances, additional material is delivered for processing, and production activities progress at Dome Mountain.

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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 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.