FSE: 7BL
CSE: BLLG
OTCQB: BLAGF

# BLUE LAGOON ANNOUNCES C$10 MILLION STRATEGIC INVESTMENT BY NICOLA MINING AND OCEAN PARTNERS

**AUGUST 10, 2026 - Vancouver, British Columbia -** Blue Lagoon Resources Inc. (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) has entered into agreements for a C$10 million strategic investment by its two key operating partners: Nicola Mining Inc. ("Nicola Mining"), the Company's long-term milling partner, and Ocean Partners Holdings Ltd. ("Ocean Partners"), the Company's gold and silver offtake partner. Nicola Mining and Ocean Partners will each invest C$5 million.

The common shares will be issued at C$0.60 per share, representing a premium of over 10% to the 20-day volume-weighted average price (“VWAP”) of the Company’s common shares. The investment will consist solely of common shares, with no warrants. At the issue price, the Company expects to issue approximately 16.67 million common shares in aggregate, subject to final rounding.

Both partners already hold equity positions in Blue Lagoon. Additionally, as announced previously, Nicola Mining has extended the Company a C$2 million unsecured line of credit, which remains undrawn. Ocean Partners made its initial C$3 million equity investment in the Company at market price in May 2026. Following completion of this investment, both partners will meaningfully increase their ownership in Blue Lagoon, further aligning every participant in the Dome Mountain value chain - from mine, to mill, to market - with the long-term success of the Company and its shareholders.

"When your milling partner and your offtake partner - the two groups with the deepest visibility into your operation - both choose to invest at a premium to the 20-day VWAP with no warrants, that tells you something," said Rana Vig, President and CEO of Blue Lagoon. "Nicola sees every tonne we send to Merritt. Ocean Partners sees every ounce produced from the ore we mine. Nobody outside our own team knows Dome Mountain better, and they are choosing to become larger owners of this Company."

## Strategic Capital to Accelerate Growth

Blue Lagoon's strategy remains to fund ongoing operations and long-term growth primarily through internally generated cash flow. This strategic investment provides the Company with additional flexibility to accelerate underground development and exploration while preserving working capital and balance-sheet strength in a period of heightened geopolitical and macroeconomic uncertainty.

The ramp-up at Dome Mountain has involved substantial reinvestment in underground development, additional working faces, water treatment and site infrastructure. Those investments have advanced the operation toward the Company's 150-tonne-per-day target. The new capital will allow Blue Lagoon to continue that development while also using cash flow to commence its planned fall drill program, without having to reduce the scope or pace of either initiative.

Mr. Vig added: "I have said that our goal is to grow Blue Lagoon through cash flow, and that remains unchanged. This investment allows us to accelerate what we are already building. We can continue advancing the mine, grow production and begin drilling, while maintaining a strong treasury. More production has the potential to generate more cash flow, and successful drilling has the potential to expand the resource and extend mine life. Both can create additional value for shareholders, and we are pursuing them alongside partners whose interests are closely aligned with ours."

## The Path Ahead

As production advances toward the Company's 150-tonne-per-day target and Dome Mountain's current permitted capacity of 55,000 tonnes per year, Blue Lagoon intends, as operations mature and subject to regulatory approval, to pursue an increase in permitted production levels. This would allow production and cash flow to grow beyond the current permitted limit.

The planned fall drill program will be the first drilling undertaken at Dome Mountain since 2023 and will benefit from underground access and cash flow from production. The Boulder Vein System remains open along strike and at depth.

Closing of the strategic investment is subject to compliance with CSE policies. All securities issued will be subject to a statutory hold period of four months and one day from the date of issuance. No finder's fees will be paid in connection with the investment.

Technical information in this news release was approved by Ted VanderWart, P.Geo., a senior geologist with the Company and a qualified person under NI 43-101.

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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 that has commenced production at 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 subsequently commenced underground mining operations. Mineralized material from Dome Mountain is processed under a long-term milling agreement with Nicola Mining. During the second half of 2026, the Company plans to continue reinvesting internally generated cash flow into near-mine and regional exploration to further expand its resource base across 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 has not based 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.



**Forward-Looking Statement**