FSE: 7BL
CSE: BLLG
OTCQB: BLAGF

BLUE LAGOON FILES ANNUAL FINANCIAL STATEMENTS AND PROVIDES COMMENT ON TEMPORARY CEASE TRADE ORDER

August 6, 2026 – Vancouver, British Columbia – Blue Lagoon Resources Inc. (CSE: BLLG; OTCQB: BLAGF; FSE: 7BL) has completed and filed its audited annual consolidated financial statements for the year ended March 31, 2026, together with the related management's discussion and analysis and officer certifications. The filings are available under the Company's profile on SEDAR+.

The Company has been advised that, notwithstanding the completion of the required filings, the British Columbia Securities Commission (the "BCSC") issued a failure-to-file cease trade order because the filings were not completed by the prescribed filing deadline. As a result, trading in the Company's securities on the Canadian Securities Exchange is expected to be temporarily suspended.

As all required annual filings have now been completed, the Company expects the BCSC to issue an order revoking the cease trade order, with trading expected to resume on August 7, 2026.

The Company was unable to complete the filings by the prescribed deadline because this year's audit was substantially more complex than in prior years. During the fiscal year, Blue Lagoon transitioned from an exploration and development-stage company into an operating gold producer. As a result, the audit included several areas that had not previously formed part of the Company's financial reporting, including revenue recognition, production inventory, mine operating costs and the accounting treatment of mine development and production assets.

The expanded audit work coincided with the Company's transition to a new audit firm. This required extensive first-year audit procedures, additional documentation review and coordination, which collectively took considerably more time than originally anticipated.

The Company emphasizes that the filing delay was administrative and audit-related and was not caused by an interruption to mine activities or any issue affecting the continuation of operations at the Dome Mountain Gold Mine. Operations at Dome Mountain continued throughout the audit and filing process and remain ongoing.

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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 achieved commercial 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 has since commenced underground mining operations. Mineralized material from Dome Mountain is processed under a long-term milling agreement with Nicola Mining. During the second half 2026, the Company plans to continue reinvesting 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 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

This news release contains forward-looking information within the meaning of applicable Canadian securities laws, including statements regarding the anticipated revocation of the cease trade order, the temporary nature of the trading suspension, the resumption of trading in the Company's securities and the Company's future production, development and exploration activities. Such forward-looking information is based on management's current expectations and assumptions, including that the Company's completed filings will satisfy applicable regulatory requirements and that any required regulatory and exchange procedures will be completed in the ordinary course, and is subject to risks and uncertainties, including the possibility that additional information or filings may be required, that the regulatory review may take longer than expected or that additional conditions may be imposed before trading resumes. There can be no assurance as to the timing of the revocation order or the resumption of trading. Readers are cautioned not to place undue reliance on forward-looking information, and the Company undertakes no obligation to update or revise such information except as required by applicable securities laws.