

No: 3003/2026/CV-KSLC

About: Explanation of the proposed solution to
address the disclaimer opinion in the consolidated
and separate financial statements in 2025

Lao Cai, April 14, 2026

To: HANOI STOCK EXCHANGE

STATE SECURITIES COMMISSION OF VIETNAM

Lao Cai Mineral Exploitation and Processing Joint Stock Company (LCM) would like to express its sincere gratitude to the Hanoi Stock Exchange and the State Securities Commission for their assistance and cooperation over the past period and hopes to continue receiving the attention and support of your agencies in the future.

Our company would like to explain to your agency the reason for the disclaimer opinion and our proposed solutions as follows:

1. The basis for disclaimer opinion on the parent report.

The audit report on the parent financial statements for the fiscal year ended December 31, 2025, No. 2807.1/2025/BCTC/IAV, signed on March 27, 2026, contains the following disclaimers of opinion:

Basic for disclaimer opinion

As of 31/12/2025, in the item "Other short-term receivables", an advance is being recorded for a number of officials and employees to carry out production and business activities with the amount of VND 60,400,000,000. We have not been provided with sufficient documents related to the use of the above-mentioned advances. Although the Board of Directors has assessed the above advances as recoverable and do not affect the loss of the company's assets. However, up to the time of issuance of this report, we have not been able to assess the reasonableness of the balance of the above advances as well as the purpose of using these advances.

We have not received the financial statements and audited financial statements for the fiscal year ended 31/12/2025 of Van Son Green Environment Cooperative (the Company's affiliate) with the principal value of this investment of VND 24,150,000,000. Alternative procedures are not possible. Accordingly, we failed to assess the net value and provision value of investment losses (if any) as well as their impact on indicators related to the Company's Separate Financial Statements.

According to the audited Financial Statement of the Subsidiary - Gia Long Hoa Binh Joint Stock Company ("Gia Long"), the auditor issued a disclaimer of opinion due to the pervasive nature of the issues that led to the disclaimer "Failure to assess the net value of the Associated Company's investment with a value of VND 23.8 billion; failed to collect records of the advance with a value of VND 54.8 billion; failed to collect records of unfinished capital construction expenses with a value of VND 6.034 billion and failed to assess the assumption of continuous operation". We have failed to gather adequate

evidence in relation to the Board of Directors' assessment in relation to the return of this provision, the net value of the investment, the provision of additional provisions due to the factors of rejection as well as the impact on other indicators relating to the Company's Separate Financial Statements.

As of 31/12/2025, the Company's accumulated loss was VND 139,240,781,707, equivalent to 57% of equity, loans and financial leases with a value of VND 2,230,000,000 that were overdue. These factors, together with the issues presented by the Company in Brief No. 2.2, indicate that there is a material uncertainty that could lead to significant doubts about the Company's ability to continue operating. At the time of issuance of this Report, we do not have sufficient grounds to make an opinion on whether the Company's continuity assumptions are made appropriately.

Disclaimer opinion

Due to the importance of the issue raised in "Basis for Disclaimer Opinion", we have been unable to obtain sufficient appropriate audit evidence to form an audit opinion. Therefore, we are unable to express an opinion on the attached Separate Financial Statements.

2. The basis for disclaimer opinion on the consolidated report.

Basic for disclaimer opinion

We were unable to access the financial statements and audited financial statements for the fiscal year ended December 31st, 2025, of Van Son Green Environment Cooperative with an equity investment value of VND 24.145 billion and of Binh Thanh Green Environment Investment and Construction Joint Stock Company with an equity investment value of VND 23.769 billion. Alternative procedures were not available. Therefore, we cannot assess the net value of the investments or their impact on the relevant indicators in the Consolidated Financial statements for the fiscal year ended December 31st, 2025, of the Company.

As of December 31st, 2025, the "Other Short-Term Receivables" item recorded advances to several officers and employees for production and business activities totaling VND 115,200,000,000. We have not been provided with complete documentation regarding the use of these advances. Although the Board of Directors has assessed these advances as recoverable and not causing any loss of assets for the Company, at the time of this report, we are unable to assess the reasonableness, purpose, and recoverability of these advances.

As of December 31st, 2025, we were unable to obtain sufficient appropriate evidence regarding the unfinished capital construction costs – the gold mining project in Hoa Binh, valued at VND 6,034,365,131. Accordingly, we cannot assess the reasonableness or recoverability of this item on the company's Consolidated Financial statements.

As of December 31st, 2025, the Company's accumulated losses amounted to VND 135,942,775,750. Loans and financial lease liabilities of VND 2,230,000,000 were overdue. Furthermore, the gold ore mining project in Luong Son District, Hoa Binh Province, under mining license No. 80/QD/UBND dated November 12th, 2009, of Gia Long Hoa Binh Joint Stock Company (subsidiary), has expired and has not been renewed. These events, along with the issues mentioned in the "Basis for Disclaimer Opinion" section above, present significant uncertainties that could lead to substantial doubt about the Company's ability to continue as a going concern. At the time of publication of this

Report, we do not have sufficient grounds to express an opinion on whether the Company's going concern assumption is adequately established.

Disclaimer Opinion

Due to the importance of the issue raised in "Basis for Disclaimer Opinion", we have been unable to obtain sufficient appropriate audit evidence to form an audit opinion. Therefore, we are unable to express an opinion on the attached Separate Financial Statements.

3. Proposed solutions to address audit concerns:

- Regarding the two investments in two affiliated companies at the time of the next financial reporting, we commit to providing the financial statements and audited financial reports of Van Son Green Environment Cooperative and Binh Thanh Green Environment Investment and Construction Joint Stock Company.
- Regarding the advance payment of VND 115,200,000,000 to some officers and employees for production and business activities in 2025, we will recover the entire amount to continue production and business operations.
- Furthermore, the Company is currently focusing on renewing the gold mining project of Gia Long Hoa Binh Co., Ltd. (a subsidiary), therefore mining operations at both the subsidiary and the parent company are temporarily suspended. However, other core business activities continue to operate continuously and normally. Therefore, we also commit to and guarantee the Company's ability to continue operating at present and in the future.

The above is a proposed solution to address the disclaimer opinion in the consolidated and separate financial statements for 2025. We look forward to receiving your feedback and support on the issues mentioned above.

Best regards!

Recipient:

- *Like To;*
- *Saved in Finance Department.*

LAOCAI MINERAL EXPLOITATION AND PROCESSING JOINT STOCK COMPANY

GENERAL MANAGER

