

Independent Expert Reconfirms the Offer is Neither Fair Nor Reasonable — REJECT Xingye's Opportunistic, Undervalued Offer

The Independent Board Committee of **Far East Gold Ltd (ASX: FEG) (FEG or the Company)** has lodged a Supplementary Target's Statement, together with the latest Supplementary Independent Expert's Report from **Lonergan Edwards & Associates Limited (LEA)** dated 14 July 2026, responding to the First Supplementary Bidder's Statement (dated 30 June 2026) and Second Supplementary Bidder's Statement (dated 9 July 2026) released by **Xingye Gold (Hong Kong) Mining Company Limited (Xingye)**. Having carefully considered the points raised by Xingye, LEA has **reconfirmed that the Offer is neither fair nor reasonable**. The Independent Board Committee unanimously recommends that shareholders **REJECT** the Offer and **TAKE NO ACTION**.

Importantly, the Offer **currently remains at A\$0.13 per share (Offer Price)**. Xingye has declared it will only increase the price to **A\$0.15 per share (Conditional Offer Price)**, and **declare the Offer unconditional, if it obtains relevant interests in more than 50% of FEG (on a fully diluted basis) by 21 July 2026 (Conditional Offer)**. The Conditional Offer Price represents a premium of approximately only **23%** to the pre-bid three-month VWAP of ~A\$0.122, and remains well below LEA's assessed value range of **A\$0.324 to A\$0.444 per share (mid-point A\$0.385)**. The view of the Independent Board Committee remains that both the Offer and Conditional Offer are **opportunistic and materially undervalue FEG**.

HIGHLIGHTS

- **LEA**, has **reconfirmed** that the Offer is **neither fair nor reasonable** and sees **no reason to change its valuation** of Far East Gold.
- **LEA's** assessed value is **unchanged** at **A\$0.324 to A\$0.444 per share** (mid-point A\$0.385, 38.5 cents).
- The Offer **currently remains at A\$0.13 per share**. The Conditional Offer Price of A\$0.15 per share is **conditional** and payable only if Xingye reaches more than 50% (by number) of all FEG Shares on a fully diluted basis by 21 July 2026.
- The Conditional Offer Price of A\$0.15 per share represents a discount of **approximately 54% to 66%** to LEA's range (**61% below the mid-point**) and a small **~23% premium** to the pre-bid three-month VWAP.
- **The timing of the Offer and Conditional Offer is opportunistic** and has been made immediately prior to the realization of key value catalysts at the Company's Flagship Idenburg Gold Project (**Idenburg**), including **completion of the Scoping Study and progression to an Indonesian Feasibility Study which upon completion would see FEG increase its ownership of Idenburg to 80%**. Shareholders who accept the Offer or Conditional Offer will potentially forgo exposure to FEG's growth as Idenburg advances toward development with feasibility workstreams underway.



- **LEA maintained its opinion notwithstanding Xingye's** technical attacks on the Wonogiri, Woyla, Trenggalek and Blue Hill Creek projects, Xingye provided **no independent valuation or technical analysis** to support them.
- The Independent Board Committee continues to recommend that you **REJECT** the Offer and **TAKE NO ACTION**.

Independent Expert reconfirms the Offer is neither fair nor reasonable

Having considered the matters raised by Xingye in its supplementary bidder's statements, LEA has prepared a Supplementary Independent Expert's Report dated 14 July 2026 and **does not consider it necessary to alter the opinion set out in its original Independent Expert's Report**. LEA confirms that neither Xingye's increased relevant interest nor its revised Conditional Offer Price of A\$0.15 per share affects its assessed fair value which remains significantly below the low end of their valuation range (which is \$0.324 to \$0.444 per FEG share) and as such, its opinion that the Offer is "**not fair**" is **unchanged**. On balance, LEA also continues to consider the Offer "**not reasonable**".

LEA has independently addressed Xingye's assertions across the portfolio. On **Wonogiri**, LEA confirmed the tenure uncertainty was already expressly reflected through a specific discount applied to their valuation, that Xingye's contention that the project should be assigned no value is speculative and unsupported, and that the project's **JORC MRE of approximately 81.6 Mt (containing around 996,000 oz gold and 190 Mlb copper)** is not shown to be uneconomic. On **Woyla**, LEA noted the Contract of Work (**CoW**) is a long-term tenure providing for a 30-year operating period and that Xingye has not established that the Woyla CoW is invalid or that PTWAM has lost its rights under the Woyla CoW. On **Trenggalek**, LEA found no basis to conclude the production licence is at risk of non-renewal or that Trenggalek has diminished value. On **Blue Hill Creek (EPM 28601)**, LEA confirmed Xingye had identified only an outstanding registration step, not a defect in FEG's 90% interest. In each case, **Xingye provided no independent valuation or technical analysis**.

The Offer materially undervalues FEG and remains well below the Independent Expert's valuation

LEA's assessed value range is unchanged. A comparison of the current Offer and the Conditional Offer Price against LEA's assessed value is set out below:

	Low	Mid	High
FEG value per share	A\$0.324	A\$0.385	A\$0.444
Xingye offer (current)	A\$0.130	A\$0.130	A\$0.130
Xingye conditional offer	A\$0.150	A\$0.150	A\$0.150
Shortfall (conditional offer)	(A\$0.174)	(A\$0.235)	(A\$0.294)

LEA's valuation of 100% of FEG on a controlling-interest basis; mid-point A\$0.385 = 38.5c per share. The current Offer Price of A\$0.13 represents a discount of approximately 60% to 71% below the assessed range; **even the Conditional Offer Price of A\$0.15 per share is approximately 54% to 66% below** (61% below the mid-point) and only a ~23% premium to the pre-bid three-month VWAP of about A\$0.122.

An opportunistic, conditional and low-premium Offer

The Independent Board Committee continues to consider that the Offer materially undervalues FEG. The Offer currently remains at A\$0.13 per share; the Conditional Offer Price of A\$0.15 per share will apply only if Xingye reaches more than 50% (by number) of all FEG Shares on a fully diluted basis by 21 July 2026 and declares the Offer unconditional. The Offer has been extended to **7.00pm (Sydney time) on 29 July 2026**, and has been made immediately prior to a number of important 2026 value catalysts, including completion of the Idenburg Scoping Study. In the Independent Board Committee's view, the Offer is opportunistically timed and priced.



A year of progress at Idenburg — the upside shareholders would forgo

Idenburg was acquired in July 2024, at which time it had no JORC-compliant MRE and was an early-stage exploration asset. Since then, FEG has announced an initial JORC (2012) MRE of approximately **540,000 oz gold** in November 2024, increased to approximately **780,000 oz gold** in May 2026. The Company has **substantially completed the Scoping Study** and commenced a range of technical, environmental and permitting workstreams designed to facilitate completion of an **Indonesian Feasibility Study**. **LEA notes this demonstrates FEG's ability to create value** through exploration and resource definition and rejects Xingye's characterisation of the projects as "stalled and stagnant".

Shareholders who accept Xingye's Offer at an opportunistic price would forgo this upside – the continued exposure to resource growth, exploration success, the Scoping Study and the progression of Idenburg from exploration toward development and a Feasibility Study.

What Shareholders Should Do

The Independent Board Committee unanimously recommends that shareholders **REJECT** the Offer. To reject the Offer, shareholders should **TAKE NO ACTION**. Accepting the Offer risks receiving only A\$0.13 per share and forgoing the upside as Idenburg advances toward development. Shareholders should read the Target's Statement dated 25 June 2026, the Supplementary Target's Statement dated 14 July 2026 and the Supplementary Independent Expert's Report dated 14 July 2026 in full. The Offer closes at **7.00pm (Sydney time) on 29 July 2026**, unless extended or withdrawn.

The Independent Board Committee acknowledges that there are risks associated with continued ownership of shares in the Company. You should consult with your investment, financial, taxation or other independent professional advisor, if in doubt about what to do.

On behalf of the Independent Board Committee, thank you for your continued support.



MINERAL RESOURCE COMPLIANCE STATEMENT

The information in this announcement that relates to the Idenburg Mineral Resource estimate was previously reported by the Company in accordance with the JORC Code (2012), most recently in the Company's ASX announcement of 5 May 2026. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

ABOUT FAR EAST GOLD

Far East Gold Ltd (ASX: FEG) is an ASX listed copper/gold exploration company with six advanced projects in Australia and Indonesia. This announcement has been authorised for release by the Independent Board Committee of Far East Gold Ltd.

FURTHER INFORMATION:

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COMPANY ENQUIRIES

Justin Werner
Chairman

e:justin.werner@fareast.gold

Shane Menere
Chief Executive Officer

e:shane.menere@fareast.gold

m: + 61 406 189 672
+ 62 811 860 8378

Tim Young
**Investor Relations &
Capital Markets**

[e: tim.young@fareast.gold](mailto:e:tim.young@fareast.gold)

m: + 61 484 247 771