ASX ANNOUNCEMENT

Union Star Metals Executes Binding Option Agreement for Sale of Kalgoorlie Gold Project

Union Star Metals Limited ("Union Star" or "the Company") is pleased to announce that it has entered into a binding Option Agreement with Lionex Metals Group Pty Ltd ("Lionex") in relation to the Company's Kalgoorlie Gold Project in Western Australia.

The agreement grants Lionex an exclusive option to acquire the project, subject to satisfaction (or waiver) of the conditions precedent contained in the agreement.

The transaction forms part of the Union Star's ongoing strategy of rationalising non-core Australian assets while directing capital and management attention toward the advancement of its flagship gold and silver projects in Nevada, USA.

Highlights

- Binding Option Agreement for the potential sale of the Kalgoorlie Gold Project
- The transaction supports the Company's strategy of rationalising non-core assets and focusing capital on its Nevada gold and silver portfolio.
- Union Star Metals will receive:
  - **A$30,000** non-refundable option fee upon execution;
  - **A$270,000** upon exercise of the option;
  - Up to **A$570,000** in milestone payments linked to the definition of JORC Mineral Resources.
- Total potential consideration is up to approximately **A$890,000**.
- The transaction remains subject to conditions precedent, including any required shareholder approvals under ASX Listing Rules.

Commercial Terms

The principal commercial terms of the Option Agreement are:

Item	Consideration
Option Fee	A$30,000
Option Period	3 months
Option Extension Fee	A$20,000, payable to extend the Option Period by a further 3 months
Exercise Payment	A$270,000
Milestone Payment 1	A$285,000 upon definition of a JORC Mineral Resource of 250,000 ounces of gold at ≥1.2 g/t Au
Milestone Payment 2	A$285,000 upon definition of a JORC Mineral Resource of 500,000 ounces of gold at ≥1.2 g/t Au

Conditions Precedent

Completion of the transaction is subject to a number of customary conditions precedent, including:

- exercise of the option by Lionex
- assignment of existing royalty obligations where applicable;
- any approvals required under the ASX Listing Rules, including shareholder approval if required; and
- other customary completion conditions.

There can be no assurance that all conditions precedent will be satisfied or waived.

Strategic Rationale and Use of Proceeds

The proposed transaction is consistent with Union Star Metals' strategy of rationalising non-core assets and recycling capital into its high-priority U.S. precious metals portfolio.

Funds received under the Option Agreement will strengthen the Company's balance sheet and support the continued advancement of the flagship Cobb Creek Gold Project in Nevada, where the Company is progressing permitting and exploration activities with the objective of commencing its maiden drilling program later this year, subject to the receipt of all necessary approvals.

The transaction allows Union Star Metals to maintain its focus on advancing high-impact exploration opportunities while retaining exposure to future value creation through the milestone payments associated with the Kalgoorlie Project.

CEO Comment

Union Star Metals CEO Lucas Stanfield said:

"This transaction represents another important milestone in our strategy of rationalising non-core Australian assets and focusing our capital and management effort on our U.S. gold portfolio.

The proceeds strengthen our balance sheet as we continue advancing Cobb Creek toward becoming a drill-ready project later this year, subject to permitting. At the same time, we retain meaningful upside through the milestone payments should Lionex successfully advance the Kalgoorlie Project."

About Union Star Metals

Union Star Metals' strategy is to apply a disciplined, technically driven exploration approach to generate and prioritise drill targets, with the objective of advancing its projects toward resource definition and long-term value creation.

Union Star Metals Limited (ASX: USM) is a precious metals exploration company focused on discovering large-scale gold systems in the premier mining jurisdictions of the western United States.

The Company's flagship **Cobb Creek Project** is located on the highly prospective Independence Trend in northern Nevada, immediately north of Western Exploration's Aura Project and south of First Majestic Silver's Jerritt Canyon Gold Mine. The project lies within one of the world's most prolific gold provinces, where the Carlin, Battle Mountain–Eureka and Independence trends collectively host well over 150 million ounces of gold in production and defined resources.

Union Star's exploration strategy is centred on identifying and testing structurally controlled Carlin-style and related gold systems beneath shallow cover using modern geological modelling, geophysics and systematic exploration. Recent technical work has identified multiple high-priority drill targets at Cobb Creek, positioning the project for the next phase of exploration.

In addition to Cobb Creek, the Company holds the **Colorado Gulch** gold project and the **Silver Star** silver project in Idaho, providing further exposure to underexplored precious metals districts with significant historical mineralisation.

Union Star is also actively rationalising non-core assets to focus capital and management attention on advancing its U.S. portfolio. The Company's objective is to create long-term shareholder value through disciplined exploration, strategic portfolio management and the discovery of economically significant precious metal deposits.

Forward Looking Statement

Some statements in this announcement regarding estimates or future events are forward looking statements. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Statements regarding plans with respect to the Company’s mineral properties may also contain forward looking statements. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results expressed or implied by such forward-looking statements. These risks and uncertainties include but are not limited to liabilities inherent in exploration and development activities, geological, mining, processing and technical problems, the inability to obtain exploration and mine licenses, permits and other regulatory approvals required in connection with operations, competition for among other things, capital, undeveloped lands and skilled personnel; incorrect assessments of prospectivity and the value of acquisitions; the inability to identify further mineralisation at the Company’s tenements, changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt exploration and development activities, operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of transportation services; the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks and various other risks. There can be no assurance that forward-looking statements will prove to be correct.

Authorisation

This announcement has been authorised for release by the Board of Union Star Metals Ltd.

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