ASX ANNOUNCEMENT

Union Star Metals Executes Binding Agreement to Divest Brazilian Rare Earth Portfolio

Union Star Metals Limited (ASX: USM) ("Union Star" or "the Company") is pleased to announce that it has entered into a binding agreement with Harvest Minerals Limited (LON: HMI) ("Harvest") for the sale of 100% of the shares in its wholly owned Brazilian subsidiary, Scanty Mineração Ltda.

The transaction represents another significant milestone in Union Star's strategic transformation. Following the disposal of the Leonora Gold Project, the execution of the option agreement over the Kalgoorlie Project and now the divestment of the Company's Brazilian rare earth assets, Union Star has substantially completed the rationalisation of its legacy portfolio and is fully focused on advancing its highly prospective gold and silver projects in Nevada and Idaho, USA.

Highlights

- Binding agreement executed for the sale of 100% of the shares in Scanty Mineração Ltda to Harvest Minerals Limited.
- Initial cash consideration of **A$200,000** at completion.
- Union Star to receive a **40,000,000 fully paid ordinary shares in Harvest Minerals** upon completion.
- Deferred cash consideration of:
  - A$100,000 upon declaration of a qualifying Mineral Resource.
  - A$200,000 upon achievement of the first development milestone (Pilot Plant, PEA or PFS), or after 60 months if not previously achieved.
- Harvest assumes the remaining A$1.5 million deferred acquisition payments and royalty obligations owing to the original vendors through a novation deed.
- Transaction simplifies Union Star's portfolio and allows management to focus entirely on advancing the Company's U.S. gold and silver projects.

Commercial Terms

Under the terms of the agreement Union Star will receive:

Item	Consideration
Initial Cash Payment	A$200,000
Harvest Consideration shares	40,000,000 fully paid ordinary shares
Resource Milestone	A$100,000
Development Milestone	A$200,000

In addition, Harvest will assume Union Star's remaining obligations to the original vendors of the Scanty acquisition, including approximately A$1.5 million of deferred consideration together with the associated royalty obligations, subject to completion of the required novation arrangements.

Conditions Precedent

Completion remains subject to customary conditions precedent, including:

- execution of the required novation deed;
- Brazilian regulatory approvals;
- any required shareholder and regulatory approvals;
- execution of amendments to the royalty arrangements; and
- other customary third-party consents.

Strategic Rationale and Use of Proceeds

The sale forms part of Union Star's strategy of focusing its capital and management resources on its highly prospective gold and silver portfolio in Nevada and Idaho, USA.

Since acquiring the USA assets, the Company has substantially advanced its understanding of flagship Cobb Creek Project in northern Nevada through geological reinterpretation, geophysical studies, permitting activities and target generation.

Following completion of this transaction, Union Star will have substantially completed the rationalisation of its legacy Australian and Brazilian assets, allowing the Company to focus on progressing exploration at Cobb Creek and preparing for its maiden drilling program.

The transaction also enables shareholders to retain ongoing exposure to the potential upside of the Brazilian rare earth assets through Union Star's holding of **40,000,000 Harvest Minerals shares**, together with the deferred milestone payments linked to future resource growth and project development.

CEO Comment

Union Star Metals CEO Lucas Stanfield said:

"The sale of Scanty represents another important milestone in Union Star's strategic transformation.

Over the past twelve months we have systematically simplified the Company's portfolio, divested non-core assets and repositioned Union Star as a focused precious metals explorer centred on Nevada.

Importantly, shareholders continue to retain exposure to the potential upside of the Brazilian rare earth portfolio through our equity position in Harvest and the future milestone payments, while Harvest assumes the significant future funding obligations associated with those projects.

Our focus is now firmly on advancing the Cobb Creek Project towards drilling and unlocking the significant exploration potential we believe exists across our U.S. portfolio."

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.

For further information, please contact:

Lucas Stanfield
CEO
+61 451 007 006
lucas.stanfield@unionstarmetals.com.au

Joe Graziano
Company Secretary
+61 411 649 551
joe@pathwayscorporate.com.au