

# Usha Resources Announces Creation of Formation Metals Spinout through Signing of Arrangement Agreement

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VANCOUVER, May 11, 2022 - [Usha Resources Ltd.](#) ("USHA" or the "Company") (TSXV:USHA) (OTCQB:USHAF) (FSE:JO0), a North American mineral acquisition and exploration company focused on the development of drill-ready battery and precious metal projects, is pleased to announce unanimous Board of Director approval and support for its previously announced spin-out transaction (the "Spinout") and that the Company has now entered into an arrangement agreement (the "Arrangement") with its wholly-owned subsidiary, [Formation Metals Corporation](#) ("Formation Metals" or "FMC"), to transfer the Nicobat Nickel-Copper-Cobalt property to FMC.

Under the terms of the Arrangement dated May 10, 2022, USHA shareholders will be issued one (1) share of FMC with respect to every five (5) shares of USHA owned on the share distribution record date (the "Share Distribution Record Date"), which will be predetermined by USHA's Board of Directors and announced by a news release -in advance. Holders of USHA options and warrants, who exercise their options and/or warrants before the Share Distribution Record Date, will also be entitled to receive one (1) share of FMC with respect to every five (5) shares of USHA.

Upon completion of the Arrangement, USHA shareholders will ultimately own shares in two public companies:

- USHA, which will be focused on its US-based assets, including the Jackpot Lake lithium brine project.
- Formation Metals, which will be focused on nickel at the Nicobat project.

Deepak Varshney, CEO of Usha Resources stated: "Formation Metals was conceived with the idea of expanding our investor base while creating additional shareholder value. This move will provide our investors with an ownership stake in two separate companies, while allowing each entity to pursue separate growth paths and unlock additional opportunities specific to their market. Both USHA and FMC will be better positioned to execute on their respective strategic business plans and have the required flexibility to allocate resources and deploy capital as each see fit. At the end of the day, I want to capitalize on the exciting opportunities we have in motion while building sustainable value for our long-term, big picture shareholders in both USHA and Formation Metals."

Completion of the Arrangement is subject to a number of conditions, including the following:

- the approval by the shareholders of USHA at a special general meeting (the "Meeting");
- the approval of the Supreme Court of British Columbia; and
- the acceptance of the Arrangement by the TSX Venture Exchange.

The Arrangement cannot be completed until all the above conditions are met.

A copy of the Arrangement will be posted on [www.sedar.com](http://www.sedar.com) under the profile of the Company. Additional details regarding the Arrangement will be included in the information circular of the Company, which will be mailed to the shareholders of USHA prior to the Meeting.

## About the Nicobat Nickel Property

The Nicobat Nickel Property is a nickel-copper-PGE project located in Dobie Township, Northwest Ontario 21 kilometres south of New Gold's Rainy River Mine which hosts the Zone 34 nickel discovery.

Historic exploration work between 1952 and 1972 included over 15,000 metres of drilling, 220 drill holes and numerous bulk samples that identified a non-compliant historic resource of 5.3 Mt grading 0.24% Ni that contained a high-grade zone of approximately 225,000 tons grading 0.87% Ni.

Recent exploration work includes over 4,000 metres of drilling that has confirmed high-grade nickel-copper

shoots do exist and are considerably better than previously recorded in the historical drilling, with drillhole A-04-15 intersecting from surface to approximately 63.75 metres a weighted average of 1.05% nickel and 2.18% copper that included an approximately 9.8-metre interval of 1.92% Ni from 53.95 to 63.75 metres.

The targeted feeder conduit measures approximately 305 metres by an average of 60 metres in width to a depth of 245 metres that is potentially open at depth and down-plunge to the north and is composed of cumulate textured olivine gabbro. This magma conduit sits in a larger norite body at the base of the Dobie Gabbro. The historical assessment data records high-grade "ribs", one of which includes the zone described above. Future work will, therefore, focus on making the historic resource compliant current and expanding on the work completed to assess for other high-grade "ribs" and the potential high-grade feeder zone as shown in the model below.

### **Qualified person**

The technical content of this news release has been reviewed and approved by Mr. Andrew Tims, P.Geo., a qualified person as defined by National Instrument 43-101.

### **About Usha Resources Ltd.**

[Usha Resources Ltd.](#) is a North American mineral acquisition and exploration company focused on the development of quality battery and precious metal properties that are drill-ready with high-upside and expansion potential. Based in Vancouver, BC, Usha's portfolio of strategic properties provides target-rich diversification and consist of Jackpot Lake, a lithium project in Nevada; Nicobat, a nickel-copper-cobalt project in Ontario; and Lost Basin, a gold-copper project in Arizona. Usha trades on the TSX Venture Exchange under the symbol USHA, the OTCQB Exchange under the symbol USHAF and the Frankfurt Stock Exchange under the symbol JO0.

Usha Resources Ltd.

"Deepak Varshney"  
CEO and Director

For more information, please call Tyler Muir, Investor Relations at (888) 772-2452, email [tmuir@usharesources.com](mailto:tmuir@usharesources.com), or visit [www.usharesources.com](http://www.usharesources.com).

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-looking statements:**

*This news release contains "forward-looking information" under applicable Canadian securities legislation. Such forward-looking information reflects management's current beliefs and are based on a number of estimates and/or assumptions made by and information currently available to the Company that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Readers are cautioned that such forward-looking information are neither promises nor guarantees and are subject to known and unknown risks and uncertainties including, but not limited to, general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, actual results of exploration activities, environmental risks, future prices of base and other metals, operating risks, accidents, labour issues, delays in obtaining governmental approvals and permits, and other risks in the mining industry.*

*These statements include proposed terms of the spinout transaction, proposed business plans for each of Usha and FMC, the listing of FMC's Shares, the anticipated benefits of the transaction, and disclosure of additional details concerning the transaction. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Usha cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by many material factors, many of which are beyond their respective control. Such factors include, among other*

*things: determination of acceptable terms for the proposed spinout transaction, risks and uncertainties relating to the receipt of approvals to proceed with and complete the transaction and the satisfaction of the conditions precedent to the completion of the transaction, unexpected tax consequences, the market valuing Usha and FMC in a manner not anticipated by management of the Company, the benefits of the spinout transaction not being realized or as anticipated, and each of Usha and FMC being unable to add additional properties to their respective portfolios. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, the Company does not undertake to publicly update or revise forward-looking information.*

*The Company is presently an exploration stage company. Exploration is highly speculative in nature, involves many risks, requires substantial expenditures, and may not result in the discovery of mineral deposits that can be mined profitably. Furthermore, the Company currently has no reserves on any of its properties. As a result, there can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.*

SOURCE: [Usha Resources Ltd.](#)

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