



Usha Resources Shareholders Overwhelmingly Approve the Spin-Out of Formation Metals Inc.

Company Confirms Further Evidence of Brine-Forming Environment in Jackpot Lake Lithium Brine Project as Drilling Pushes Past 440-Metre Level

Vancouver, British Columbia / December 21, 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 that its shareholders (the “USHA Shareholders”) have approved the previously announced proposed spin-out of the Company’s wholly owned-subsiary, Formation Metals Inc. (“Formation Metals” or “FMI”), through a plan of arrangement (“Arrangement”) between USHA and FMI. The special resolution was approved at the Company’s annual general and special meeting of its shareholders which was held on December 16, 2022 (the “ASGM”) by 99.76% of the votes cast.

Upon completion of the Arrangement and the share exchange pursuant to the Arrangement, each USHA Shareholder will receive one (1) common share of FMI with respect to every five (5) common shares of USHA held on the Share Distribution Record Date (the “Share Distribution Record Date”). For example, upon completion of the Arrangement, for each 10,000 common shares of USHA owned on the Share Distribution Record Date, the USHA Shareholder will own 2,000 common shares of FMI. USHA Shareholders will continue to own the same number of USHA common shares as they did on the Share Distribution Record Date.

FMI will then hold the Company’s interest in the Nicobat Nickel Project and will focus on the advancement of this project, while USHA will retain and focus on the advancement of its exploration projects in the USA, including the Jackpot Lake Lithium Brine Project where the Company has begun its drilling program (<https://tinyurl.com/26ryndz3>).

The Company will proceed with completing closing conditions of the Arrangement, including seeking final approval of the Arrangement by the Supreme Court of British Columbia and the TSX Venture Exchange (the “TSXV”) in January 2023. The Arrangement cannot be completed until these conditions have been met.

USHA Shareholders must hold their USHA common shares on the Share Distribution Record Date in order to receive their pro rata portion of the FMI common shares being distributed pursuant to the Arrangement. USHA will disseminate a press release to notify shareholders in advance of the Share Distribution Record Date once the conditions to closing of the Arrangement have been satisfied.

ASGM Results

The Company is also pleased to announce the results of voting on other resolutions at its 2022 AGSM held on December 16, 2022.

A total of 20,343,901 common shares were voted at the ASGM representing 57.76% of the votes attached to all outstanding common shares of the Company. Shareholders voted in favour of all items of business before the ASGM, including the election of all director nominees as follows:

Name	Votes For		Withheld	
	Number	Percentage	Number	Percentage
Deepak Varshney	19,947,491	99.99	2,000	0.01
Navin Varshney	19,947,491	99.99	2,000	0.01
David Ellett	19,949,491	100.00	0	0.00



Leif Smither	19,917,491	99.84	32,000	0.16
Adrian Smith	19,949,491	100.00	0	0.00

Jackpot Lake Lithium Brine Project Exploration Update

The Company is also pleased to provide an update on drilling activities at its Jackpot Lake Lithium Brine Property (“**Project**”). The drill is now at the 440-metre level and its exploration team has continued to encounter multiple zones of evaporite crystals as interbeds, veining, and inclusions within lacustrine sediments comprised of silty to sandy clays, clay sands and loams. Of note, halite has been identified, further supporting the presence of a brine environment at depth as halite would not form under freshwater conditions. The Company anticipates providing additional updates throughout January 2023.

A video update from the Company is available at this [link](#).

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 JOO.

USHA RESOURCES LTD.

“Deepak Varshney” CEO and Director

For more information, please call Tyler Muir, Investor Relations at 1-888-772-2452, email tmuir@usharesources.com, or visit www.usharesources.com.

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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.

No Offer or Solicitation to Purchase Securities in the United States

This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons, as such term is defined in Regulation S under the Securities Act ("Regulation S"), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act.