Zentek Media Report Update – Ceasing coverage

Zentek Ltd. (TSX.V: ZEN)

Have updated the market following a claim in the media that the company are in receipt of a court action by UK based Graphene Composites, alleging IP theft.

The company have stated that they consider the claim "frivolous and without merit". […]

Zentek ltd.	TSX.v : ZEN
Stage	Development, Production
Metals	Graphite
Market cap	C$276 m @ C$2.73c
Location	Ontario, Canada



Zentek Media Report Update – City Investors Circle Ceasing coverage

Zentek Ltd. (TSX.V: ZEN) have updated the market following a claim in the media that the company are in receipt of a court action by UK based Graphene Composites, alleging IP theft.

Zen made a initial response the same day, HERE

The company followed with a further response the following day, stating that it considers the claim "frivolous *and without merit*", its response can be viewed *HERE*

Zentek (TSX.V: ZEN) have stated they received notice of the action on the 29th January, yet had not informed the market, until the media article was published, citing their "Frivolous and without merit" argument as a defence for not doing so. That of course is subjective, and exposes a grey area, where the market requires a company to disclose such actions, yet companies often use the "frivolous and without merit" response for not doing so.

I fundamentally disagree with this non disclosure by the company, I think they have a duty to inform shareholders of *any* action, and at the same time they can state why they contend that the action is without merit, and the steps they will take to defend it.

As a shareholder of a company I want transparency at *all* times, tell me the good and the bad, so I can make an informed

decision based on the facts as presented.

By not informing shareholders, and allowing an investigative journalist to break the story, makes ZEN look less than transparent in my opinion, and raises a concern. Is there anything else we're not being told? is an obvious question.

I am personally unhappy that the information was not disclosed to the market in a timely manner, and was effectively put out by a third party, forcing ZEN to respond.

I emailed an employee of Zentek, one Sandra Lombardo, listed on their website HERE for clarification, and did not receive the courtesy of a reply from her. At the very least I would have expected her to acknowledge my email, even if she was not the right person to respond to my enquiry. This is very poor form in my book.

finally, we cover mining companies, and Zentek has morphed from being a graphite mine developer into developing advanced chemicals and coatings, another sector altogether, which we do not cover.

As a result ***I am very reluctantly ceasing coverage of Zentek***, a former presenting company. The reasons are because they have not acted in a way that I would have liked them to, and I honestly believe they *should* have, and of course that they are no longer involved in the mining sector, this site's focus.

It's my personal decision, and some may think I'm being too harsh, and that's fine if you do, we all have different opinions and standards, that's what makes a market. I welcome your feedback on this issue.

I will treat any future non disclosures in the same way for any company on the watchlist, as it's important to be fair and consistent. One company that was to be included on the watchlist has already been cancelled, for a similar reason.

For anyone wishing to continue to follow the company in the future, **Zentek's website can be accessed** HERE

I wish the company and its shareholders well for the future.

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For context, Zenyatta (now Zentek) presented to the circle a few times in London during the tenure of Aubrey Eveleigh, where he did a great job of creating awareness of the company, and graphite, in it's early stages.

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Meetings are non deal, small group, highly focused and engaged, with a lively Q and A to follow the main presentation.

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