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Formation Closes \$10 Million Financings

Vancouver, B.C., December 8, 2003, Formation Capital Corporation (Formation, FCO-TSX) (the "Company") is pleased to announce that further to its news releases dated November 7 and December 1, 2003, it has successfully completed its \$10,000,000 financings.

The Company engaged Jennings Capital Inc., as lead agent, Desjardins Securities and Dominick & Dominick Securities Inc., to complete a private placement of 32,730,000 Units of the Company to qualified investors at a price of \$0.25 per Unit (the "Brokered Financing"). The private placement was fully subscribed. Each Unit is comprised of one common share and one half of one common share purchase warrant, each whole common share purchase warrant entitling the purchase of one additional common share of the Company at a price of \$0.50 per share for a period of two years from the date of closing of the private placement. The Company will pay a 6% cash commission to the agents, and issue agents warrants equal to 6% of the number of Units sold under the Brokered Financing.

The non-brokered portion of the private placement consisted of 7,270,00 Units under the same pricing terms and conditions as the Brokered Financing described above.

Proceeds from the private placement will be used to continue the advancement of the Company's Idaho Cobalt Project, its Big Creek Hydrometallurgical Complex and associated Silver Refinery Facility, and for working capital.

The permitted Hydrometallurgical Complex, located some 200 miles north of the Company's 100% owned Idaho Cobalt Project, collectively refers to the 36,000 square foot hydrometallurgical plant, the 24,000 square foot alkaline leach plant, tailings pond, storage structures and the surrounding land. The Silver Refinery portion of the Complex is currently designed to refine up to 10 million ounces silver and 50 thousand ounces gold annually.

The Idaho Cobalt Project is a unique high-grade, primary cobalt deposit that is metallurgically favourable for the production of high purity cobalt products. The project is in the mine permitting stage of development. The U.S.A. is the largest world consumer of this environmental and strategic metal but currently has no primary cobalt production and is dependent on imported sources.

Formation Capital Corporation is dedicated to the principles of environmentally sound mining and refining practices, and believes that environmental stewardship and mining can co-exist. The Company trades on the Toronto Stock Exchange under the symbol FCO.

Formation Capital Corporation

"Mari-Ann Green"

Mari-Ann Green
C.E.O.

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The statements contained in this news release in regard to Formation Capital Corporation that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including Formation Capital Corporation's beliefs, expectations, hopes or intentions regarding the future. All forward-looking statements are made as of the date hereof and are based on information available to the parties as of such date. It is important to note that actual outcome and the actual results could differ from those in such forward-looking statements. Factors that could cause actual results to differ materially include risks and uncertainties such as technological, legislative, corporate, commodity price and marketplace changes.