

Formation



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Re-Starting of Silver Refinery Commences

Vancouver, B.C., January 13, 2004, Formation Capital Corporation (FCO-TSX) (the Company) is pleased to announce that its wholly owned subsidiary, Formation Chemicals, Inc., has commenced the process of re-starting the silver refining section of the Big Creek Hydrometallurgical Complex ("Complex") located near Kellogg, Idaho.

In 2003, Formation Chemicals, Inc. received numerous "Expression of Interest Letters" from potential customers that indicated grade and quantity of potential feedstock, that when totaled, exceed the silver refinery's current capacity of 10,000,000 oz Ag/yr.

Mr. Michael T. Perry joined Formation Chemicals, Inc. on January 1, 2004 as Comptroller for the Kellogg, Idaho operation. Mr. Perry holds a Bachelor of Science in Business Administration and Management degree from the University of Phoenix.

Formation Chemicals, Inc. has successfully identified additional candidates to fill other critical job functions. Interviews for key positions such as Human Resource Director, Manager of Metallurgy and Senior Chemist are in progress with final selection and offers of employment expected this week.

Various contractors are on site performing equipment maintenance, repair, and general cleanup. Additional contractors are scheduled to install modifications to branch electrical circuits, setup computer systems and begin service on the Complex's ventilation and air conditioning system.

With the hiring of key personnel, the Safety Rules Manual for future employees has been completed. As well, Formation Chemicals' Safety Training Program has been developed and awaits review by Occupational Safety and Health Administration (OSHA).

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.

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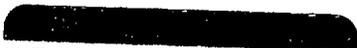
"Mari-Ann Green"

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.