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OCT 06 2004

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2004 OCT -6 A 11:28

OFFICE OF INTERNATIONAL CORPORATE FINANCE

Idaho Cobalt Project Drill Program Increases Resources

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Vancouver, B.C., September 27, 2004 Formation Capital Corporation (FCO-TSX) (the Company) is pleased to announce the most recently available results from the ongoing 25,000 foot drill program on its 100% owned Idaho Cobalt Project. The drill program is designed to develop additional reserves and resources along strike and down-dip on the Ram deposit. In addition, the program will test for unexplored hangingwall mineralization. Drill holes will also improve the knowledge of the ore zones and minimize development risk. A preliminary review of the drill program results to date demonstrate an increase in the measured and indicated resource.

The existing previously announced and SEDAR filed reserves and resources are based on results of drilling to a maximum vertical depth of only 650 feet below surface. The bulk of these reserves and resources are from the main zone which is comprised of up to three stacked mineralized horizons. This zone appears to be strongest between 2+00S and 6+00N, however it remains open along strike and down-dip. To date, drill Holes R04-01, R04-03, and R04-05 through R04-15 have been completed totaling 12,447 feet.

The results announced in August 2004 from drill holes R04-01 and R04-03 were successful in confirming down-dip mineralization an additional vertical 120 feet on section 8+00N and 460 feet on section 6+00N. Similarly, the results from new drill holes verify down-dip mineralization an additional vertical 273 feet on section 4+00N (R04-05 and R04-08) beyond the previously defined depth of mineralization. Mineralization has thus been extended down dip along 400 feet of strike and remains open. As well, an additional 200 feet of main zone mineralization has been defined along strike to the south on section 8+00S (R04-07) and remains open.

Mr. George King, B.Sc., P.Geo., is the Qualified Person working directly on the project. Drill core samples were sent to ALS Chemex Labs in Vancouver, B.C. for assay. A current list of drill holes, intersections and location map are available from the Company directly. Significant results from drill holes R04-05, R04-07 & 08 are as follows:

Drill Hole / Depth / Inclination	Drill Hole Azimuth	Grid Northing/Easting	from (ft)	to (ft)	Core Length (ft)	True Width (ft)	Cobalt (%)	Copper (%)	Gold (oz/ton)			
R04-05 / 1395 / -64.5°	243.4°	4+00N / 16+70E	957.2	959.1	1.9	1.9	0.57	0.01	0.0062			
			964.0	971.3	7.3	6.8	0.41	0.01	0.0035			
			main zone	1215.7	1224.0	8.3	7.8	0.32	0.64	0.0114		
			main zone	1241.5	1254.3	12.8	12.1	0.77	1.26	0.0063		
R04-07 / 477 / -61°	243.4°	8+00S / 2+25E	1265.3	1272.0	6.7	6.3	1.41	0.33	0.0273			
			1316.8	1320.9	4.1	3.9	0.57	0.29	0.0081			
			R04-08 / 1522 ft / -70°	243.4°	4+00N / 17+40E	281.0	286.0	5.0	4.9	0.55	0.06	0.0078
			664.8	666.8	2.0	1.7	4.00	0.05	0.0382			
R04-08 / 1522 ft / -70°	243.4°	4+00N / 17+40E	706.1	709.4	3.3	2.8	0.85	0.37	0.0112			
			1044.7	1048.7	4.0	3.9	1.05	0.00	0.0133			
			1259.0	1263.0	4.0	3.8	0.39	0.68	0.0145			
			main zone	1290.7	1295.0	4.3	4.0	0.37	0.57	0.0206		
			main zone	1358.6	1365.5	6.9	6.5	1.17	0.84	0.0196		
		main zone	1388.7	1399.7	11.0	10.0	0.38	0.52	0.0074			

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Significant results previously released for R04-01 and R04-03 are provided below for reference:

Drill Hole / Depth / Inclination	Drill Hole Azimuth	Grid Northing/Easting	from (ft)	to (ft)	Core Length (ft)	True Width (ft)	Cobalt (%)	Copper (%)	Gold (oz/ton)
R04-01 / 900 ft / -82 ^o	244 ^o	8+00N/12+10E	429.0	433.2	4.2	3.2	0.64	0.03	0.0090
			561.0	577.2	16.2	12.3	0.23	0.05	0.003
			633.5	637.1	3.6	2.7	0.57	0.29	0.0046
			809.5	813.8	4.3	3.3	0.54	2.24	0.0026
R04-03 / 1610 ft / -70 ^o	244 ^o	6+00N/18+20E	919.0	927.0	8.0	6.1	1.49	0.14	0.0139
			1122.0	1125.0	3.0	2.7	0.59	0.07	0.0130
			1410.3	1430.0	14.7	13.5	0.60	0.43	0.0066

To ensure validity of results, Formation employs a regimented sampling procedure, including the submittal of different standard samples of known grade, blank samples and random duplicate samples to ensure results can be replicated. Further results will be released when available.

Formation Capital Corporation

"Mari-Ann Green"

Mari-Ann Green
C.E.O.

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.