FORMATION

COBALT - A BETTER FUTURE

MINING

REFINING

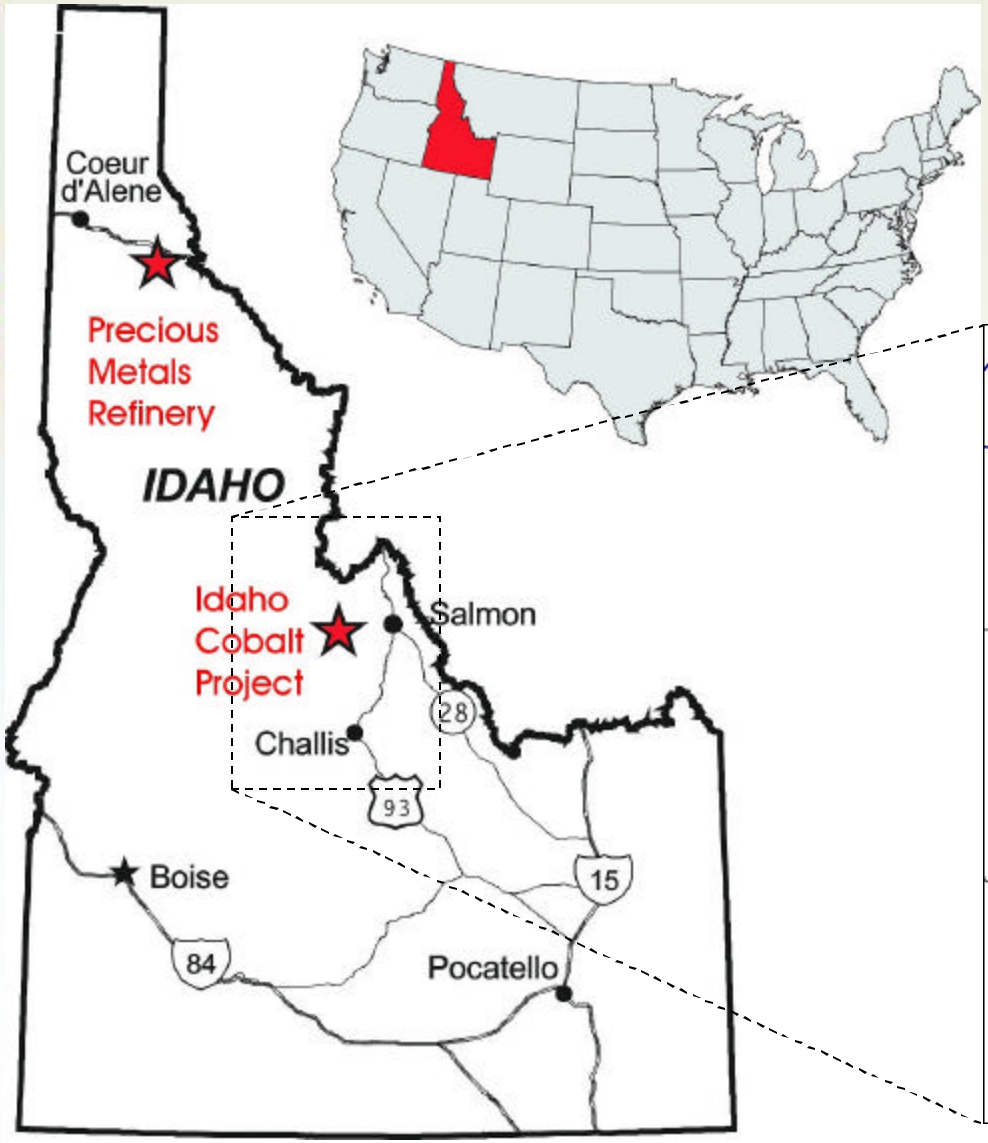
27
Co
58.933

FCO.TSX

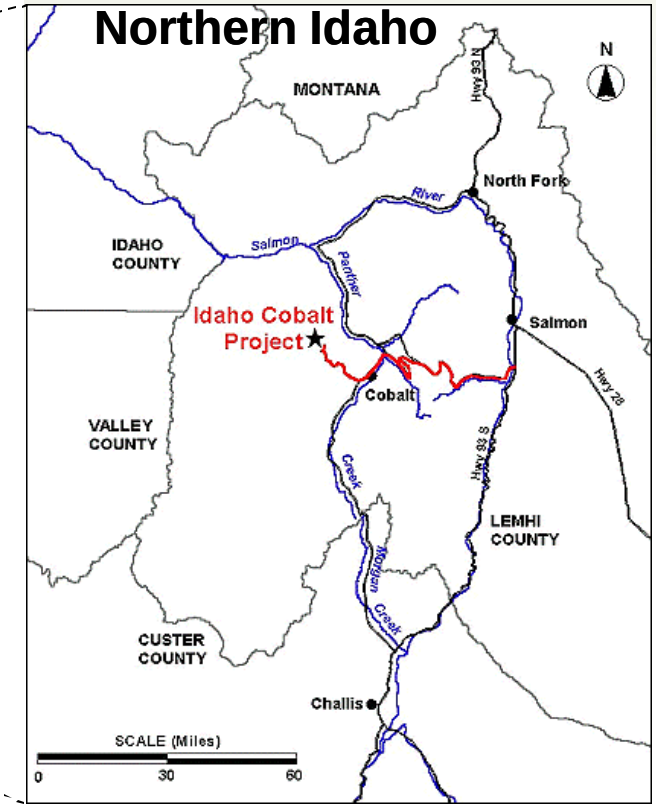
FORMATION CAPITAL CORPORATION

FORMATION

MINING REFINING



Unique Hydrometallurgical Complex with Operating Precious Metals Refinery Located in Northern Idaho



Primary Cobalt Deposit Located in the Blackbird Mining District Central Idaho

Idaho Cobalt Project - Reserves & Resources

- **Diluted, proven and probable reserves currently stand at 2.64 mt at:**
  - 0.559% cobalt
  - 0.596% copper
  - 0.014 opt gold

Samuel Engineering NI-43-101 Bankable Feasibility Study, July 2007

- **Cobalt Project Resource utilizing 0.2% cut-off:**

Category	Tons	%Cobalt	%Copper	Oz/ton Gold
Measured	1,840,700	0.626	0.592	0.015
Indicated	813,700	0.632	0.681	0.017
Total M&I	2,654,400	0.628	0.619	0.016
Inferred	1,121,600	0.585	0.794	0.017
Contained Metal		**46.5 million lbs**	**50.7 million lbs**	**60,500 oz**

MDA 2006 NI 43-101 Report

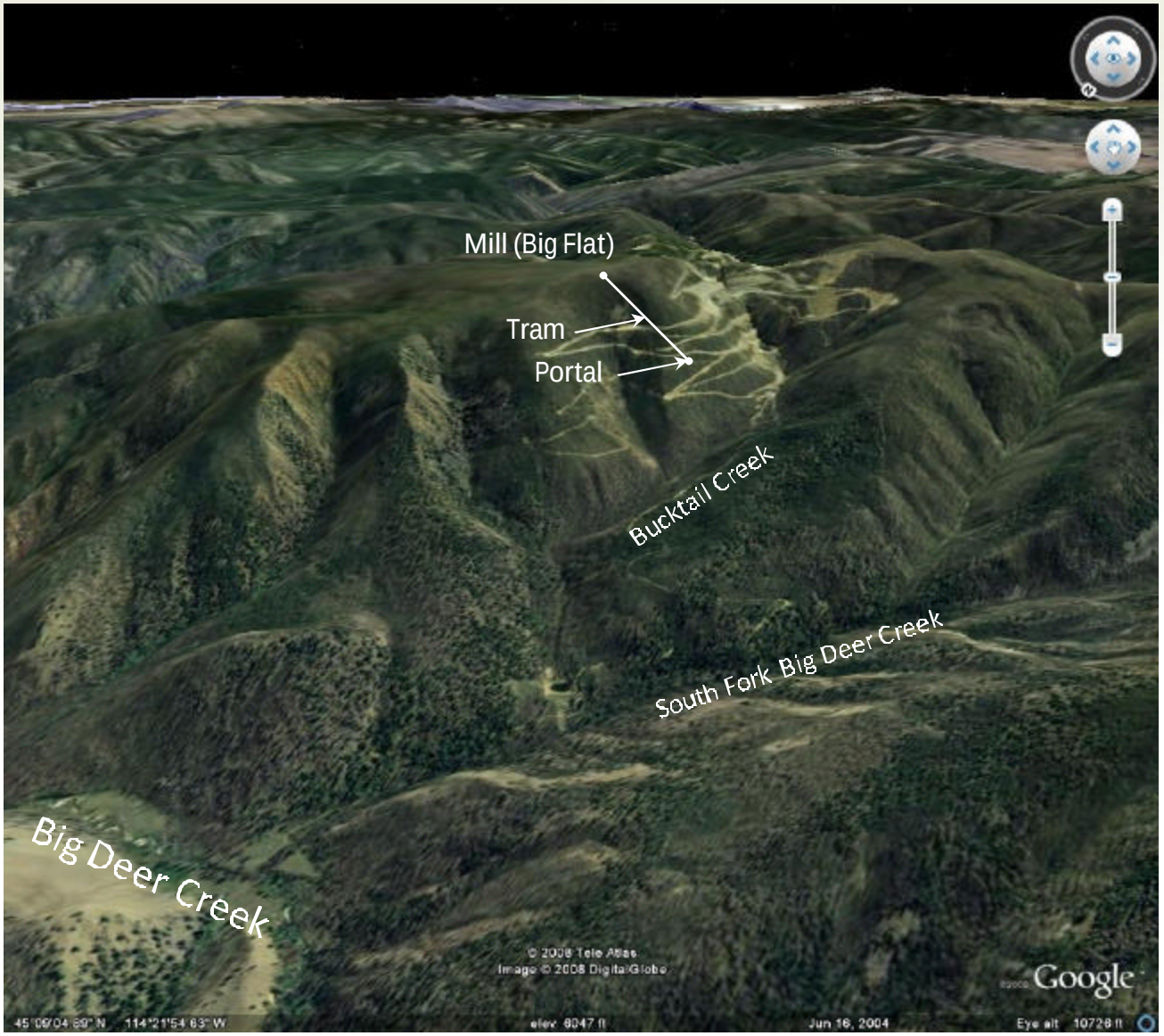
Environmentally Sound

- Underground project - small environmental footprint
- 100% reclaimable - modest 135 acre disturbance
- No tailings pond - dry stacked tailings
- Paste backfill - 50% of tailings returned underground
- Water discharge - will meet drinking water quality standards
- Reagents - no dangerous reagents
- Zero discharge facility - hydrometallurgical complex

ICP Production Overview

Production Rate:	800 tons per day
Cobalt Recovery:	+93%
Mill:	Bulk sulphide froth flotation
Beneficiation:	Hydrometallurgical process - SX-EW
Cobalt Production / Year:	Up to 1,500 mt high purity metal
Projected Mine Life:	10+ years (14 years including inferred - not 43-101 compliant) Open along strike and at depth

Google Oblique of Our Site



FORMATION

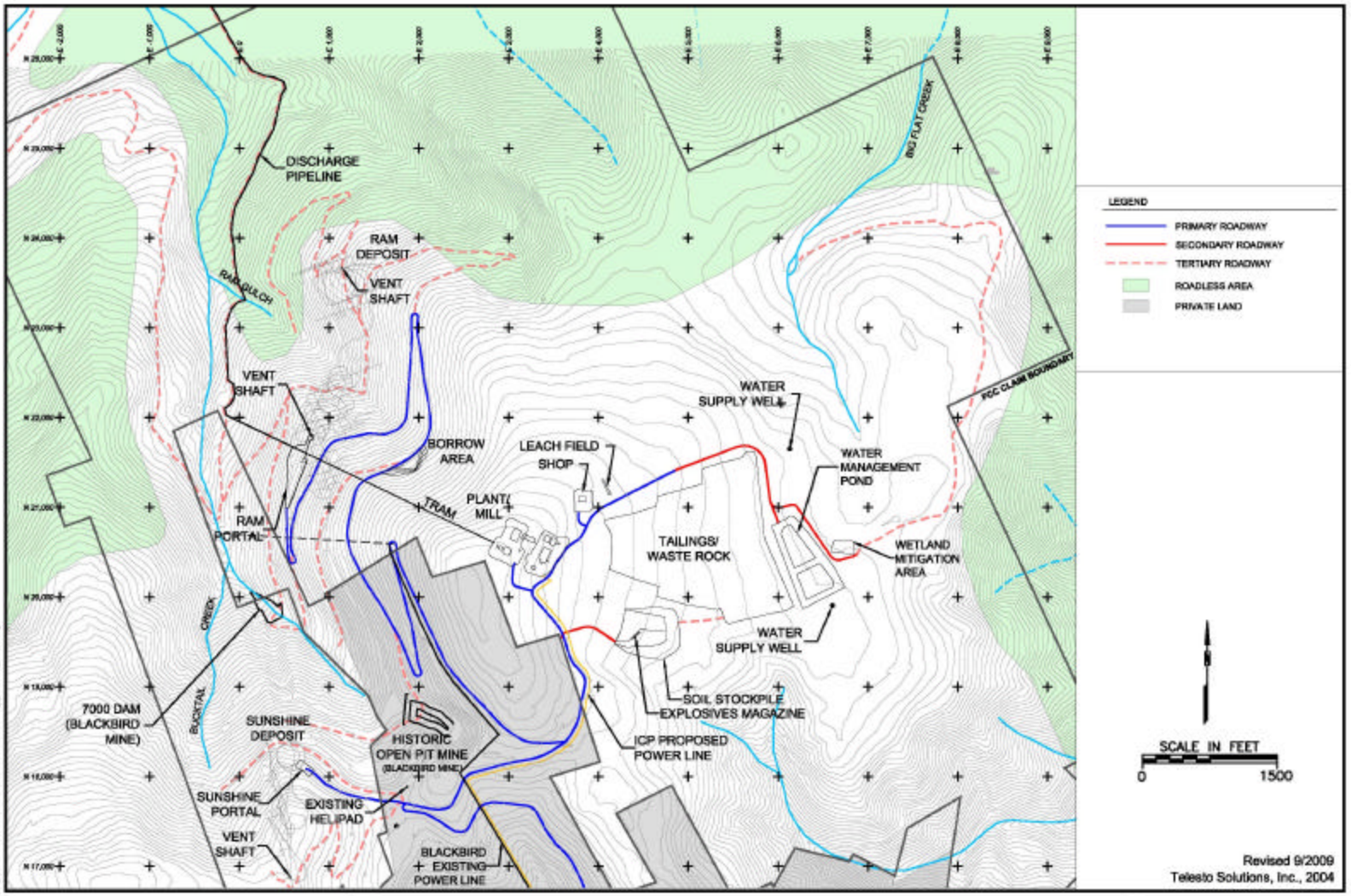
MINING

REFINING

Co 27

Site plan in 3D

Site plan


DISCHARGE PIPELINE
RAM DEPOSIT
VENT SHAFT
RAM GULCH
VENT SHAFT
BORROW AREA
LEACH FIELD
SHOP
PLANT/ MILL
TRAM
RAM PORTAL
WATER SUPPLY WELL
WATER MANAGEMENT POND
TAILINGS/ WASTE ROCK
WETLAND MITIGATION AREA
WATER SUPPLY WELL
SOIL STOCKPILE
EXPLOSIVES MAGAZINE
ICP PROPOSED POWER LINE
7000 DAM (BLACKBIRD MINE)
SUNSHINE DEPOSIT
HISTORIC OPEN PIT MINE
SUNSHINE PORTAL
EXISTING HELIPAD
VENT SHAFT
BLACKBIRD EXISTING POWER LINE
BIG FLAT CREEK
FCC CLAIM BOUNDARY
LEGEND
PRIMARY ROADWAY
SECONDARY ROADWAY
TERTIARY ROADWAY
ROADLESS AREA
PRIVATE LAND
SCALE IN FEET
0
1500
Revised 9/2009
Telesto Solutions, Inc., 2004
Formation
FIGURE 1-3
GENERAL FACILITY LOCATION MAP
IDAHO COBALT PROJECT
PLAN OF OPERATIONS
September 2009

Tram

- Total Capacity
  - 5.8 ton car
  - 800 tpd ore
  - 333 tpd waste
  - 2 - 300hp motors
- Total Elevation rise 1040 feet
- Total slope length 2865 feet
- Operating 22-hrs per day
- Will function automatically

Portal Pad Location

- First Portal location
  - 4.6M and counting
    - Geoteck driving 115 ft high Hilfiker wall
  - 1.6M budget
- Second Location
  - 2.3M first estimate after more in-depth look cost could be reduced further.

Climate

- Mine at 7000 ft elevation
- Mill at 8000 ft elevation
- 7600 ft elevation weather station
  - Average annual temp 34.8F
  - High temp 89.4F
  - Low temp -34.6F
  - Precip 24.4 inches (60% in snow)

Geometry of the Ore body

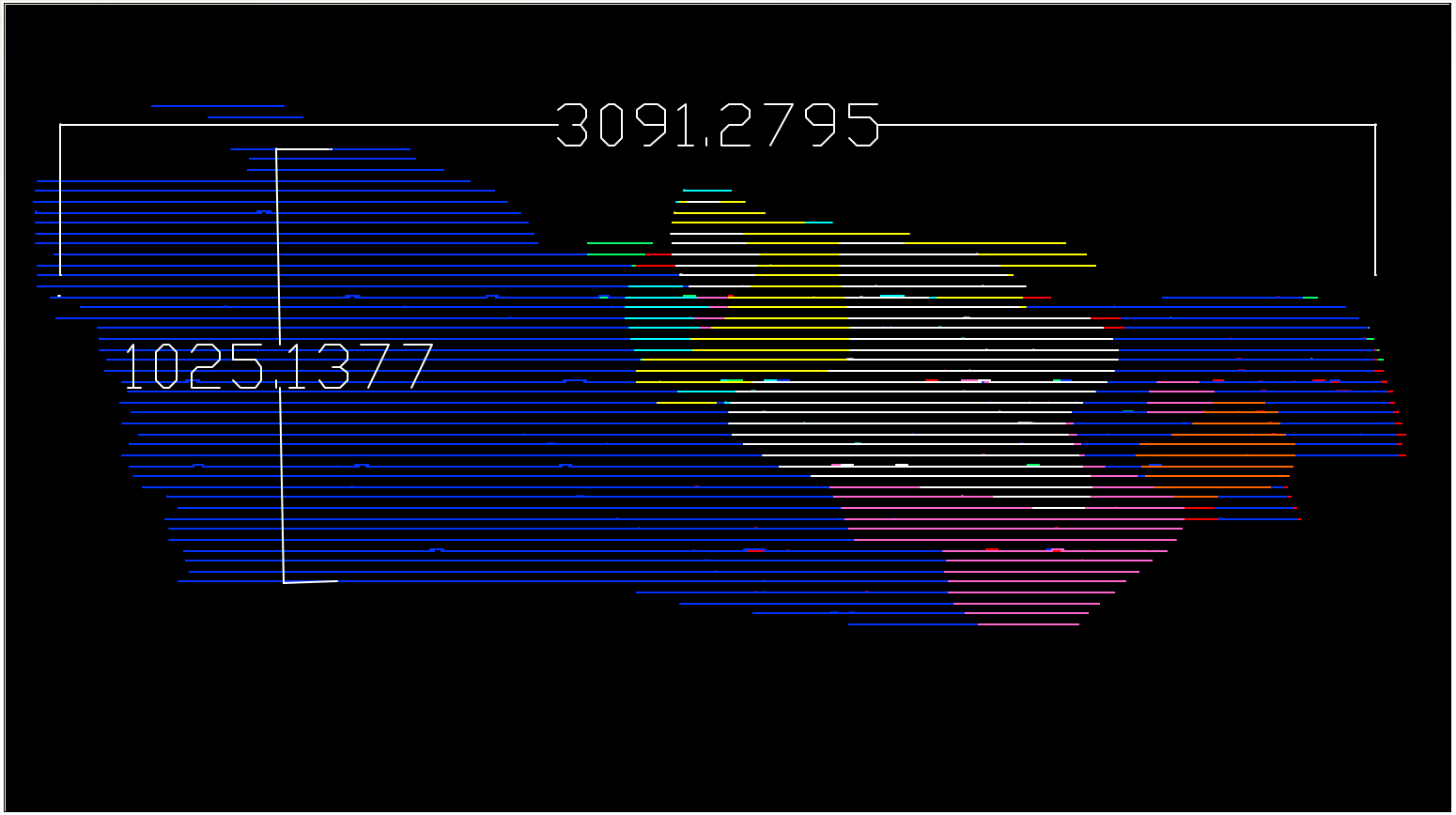
- Strike 3200 plus feet
- Dip 48 – 54 degrees
- Vertical Extent 1000 plus feet
- Horizons 9 Not all mineable
  - Exhalative depositional regime
- Stope widths will range from 20-6 ft

FORMATION

MINING

REFINING

Horizon 3023 et al.

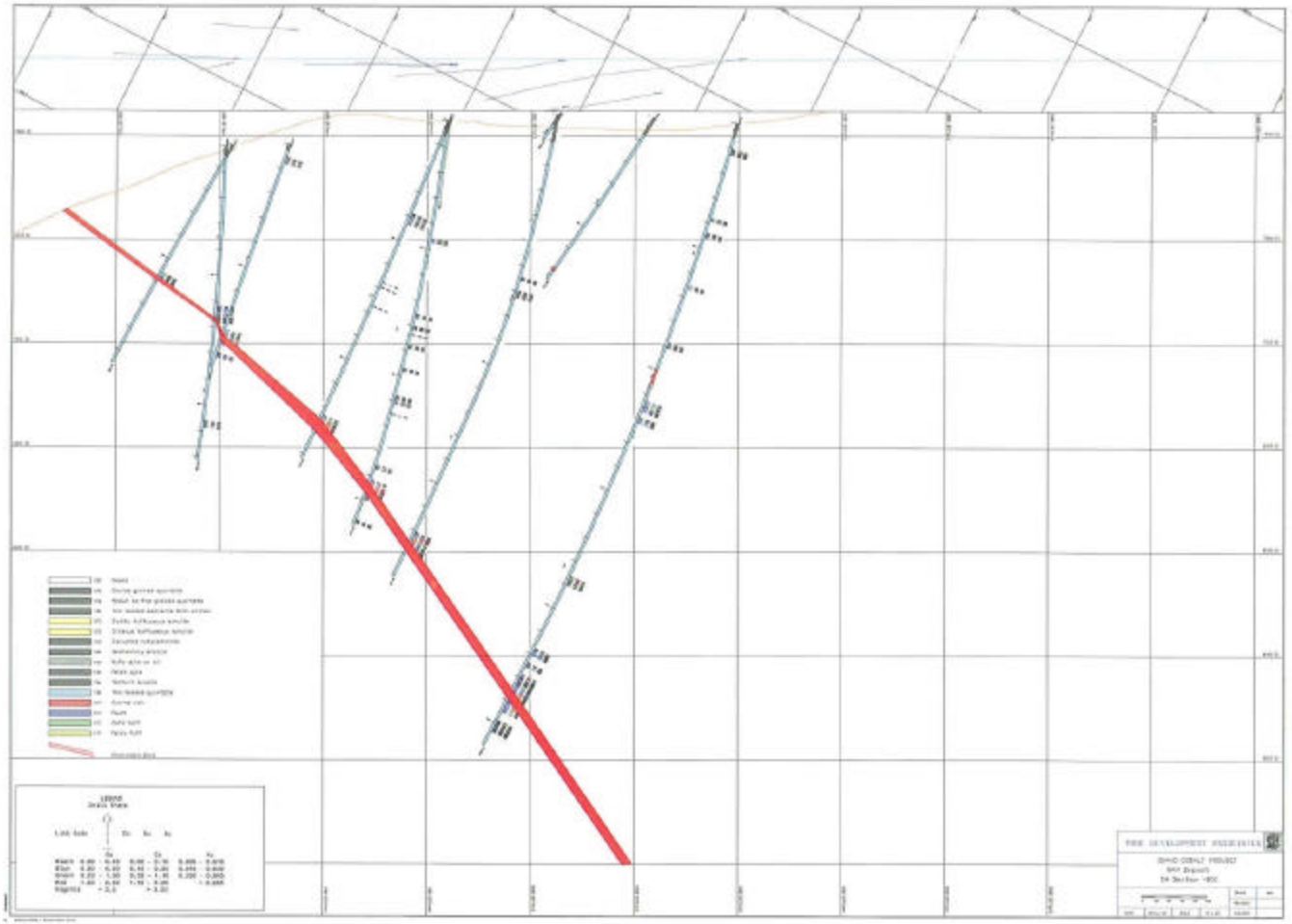


FORMATION

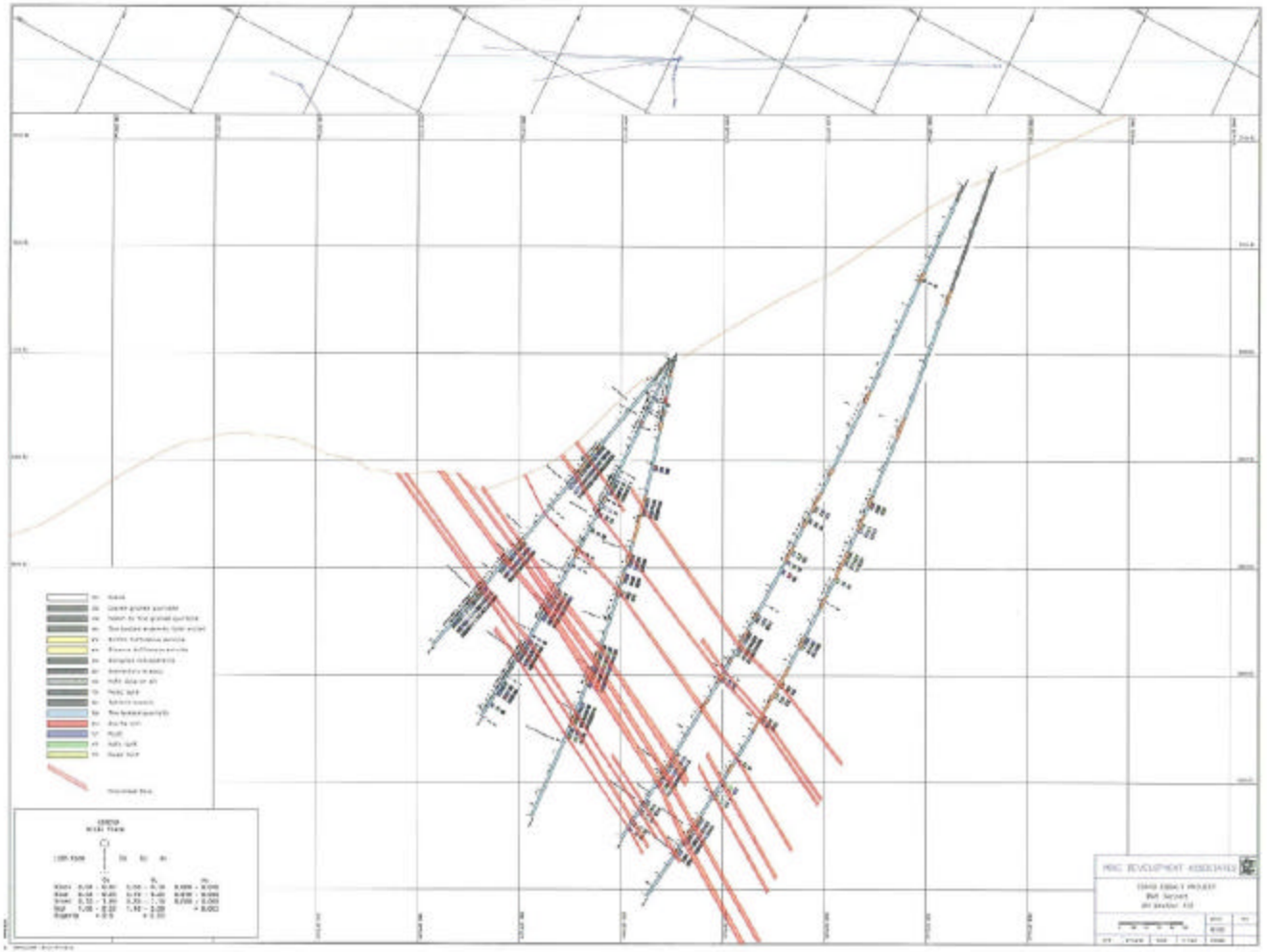
MINING

REFINING

Section -800 Most Southerly



Section 400

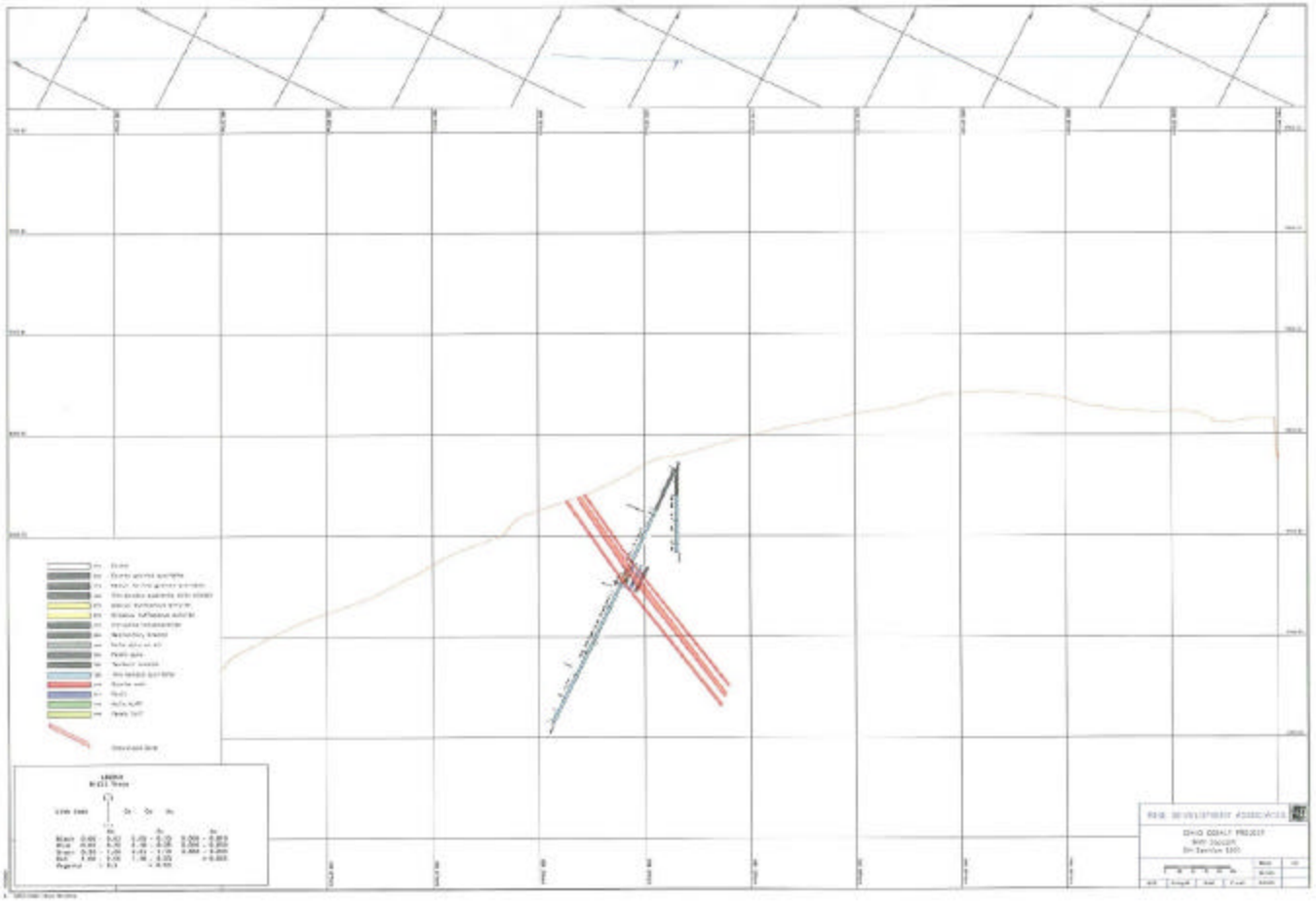


FORMATION

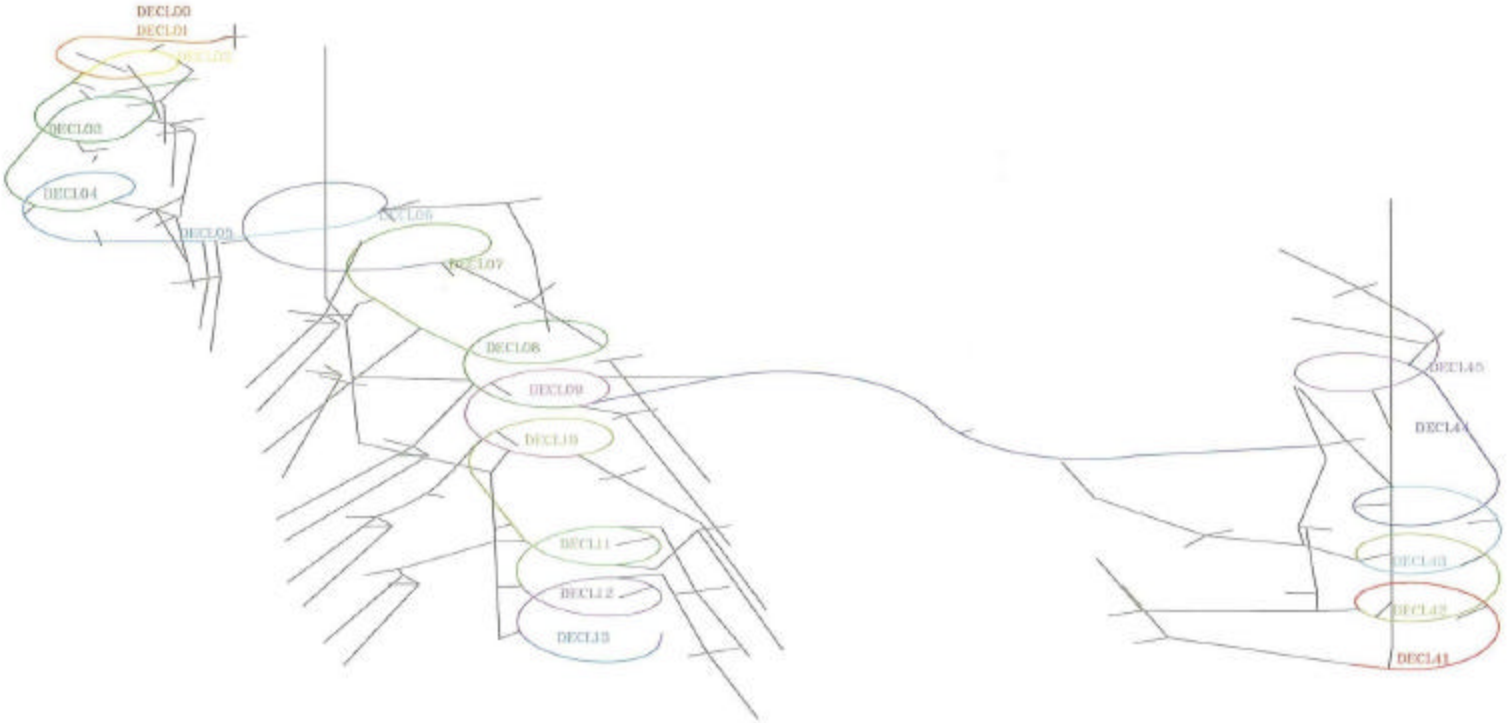
MINING

REFINING

Section 1600



Original Mine Design for Feasibility



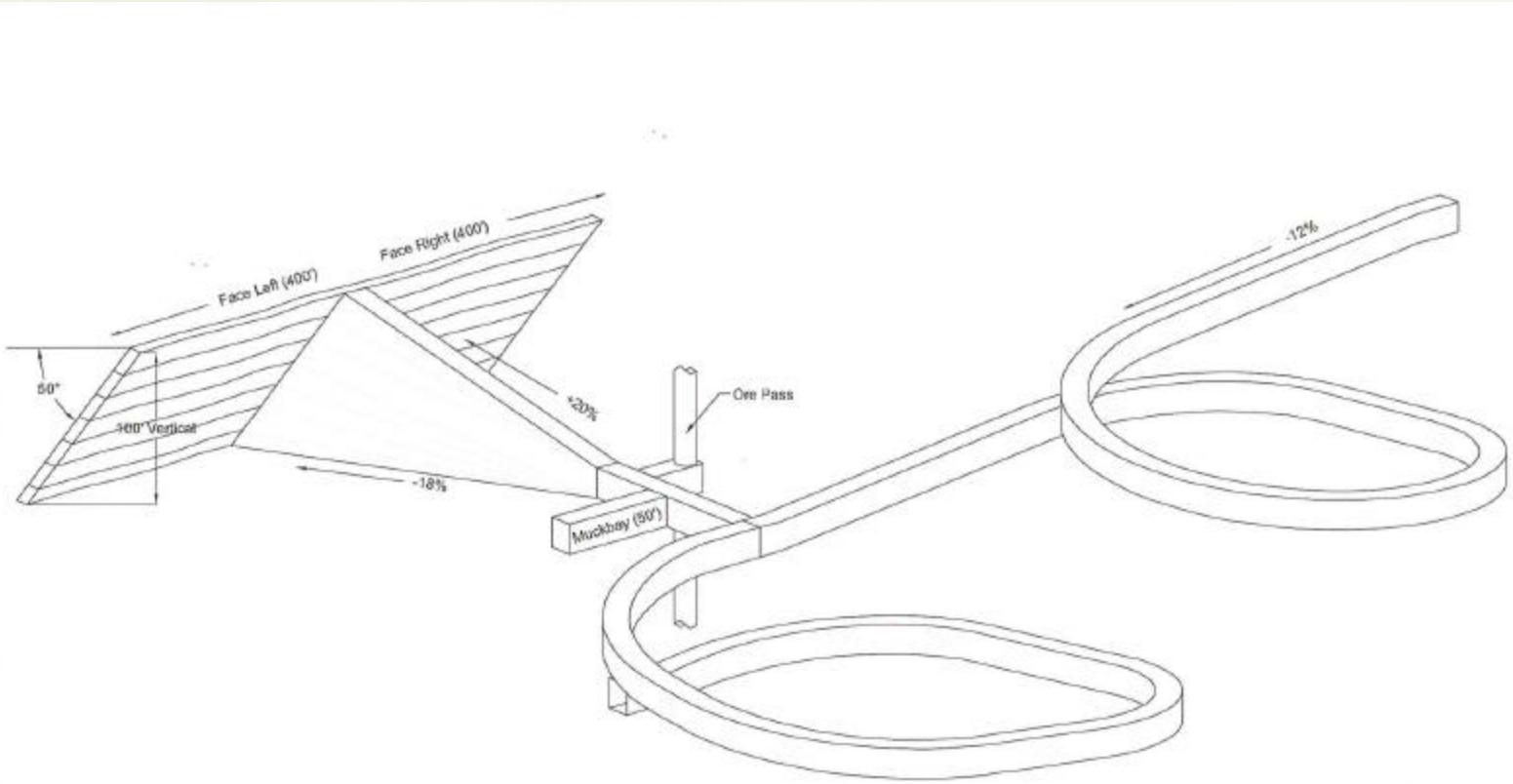
Ram Declines

FORMATION

MINING

REFINING

Original Stope Access



General Mine Design Parameters

- No more Corners than are necessary!
  - No spiral ramps!
    - Increase cost to build
    - Increase cost to maintain
    - Safety hazard
  - Maximum grade on all haulage ways 15%
  - Maximum grade on all attack ramp 20%
  - Maximum grade on any corner 10%

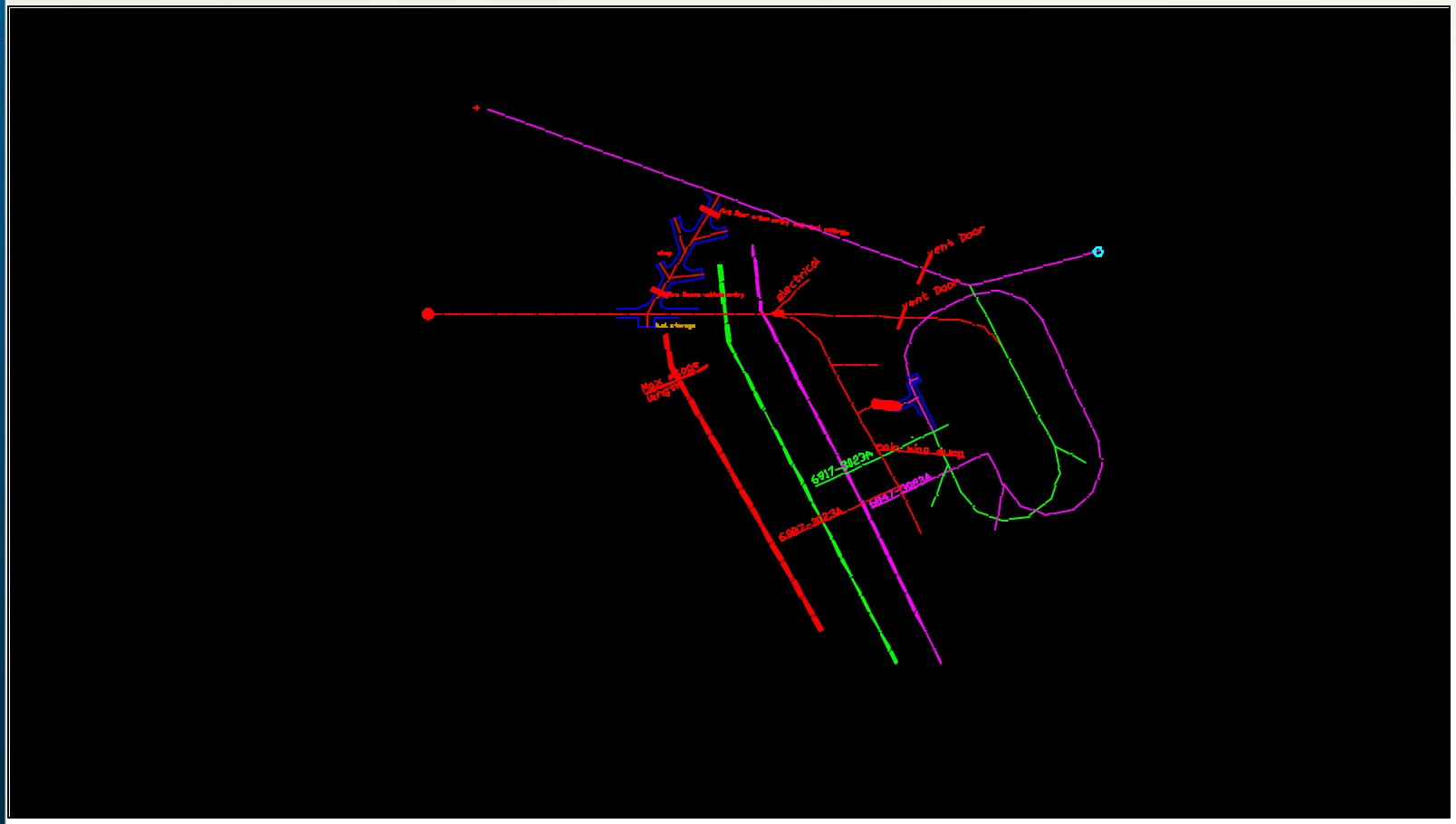
- Corners 75-ft radius
- Minimum pillar thickness 35 feet secondary structures.
- Minimum pillar thickness 100 feet primary structures.

FORMATION

MINING

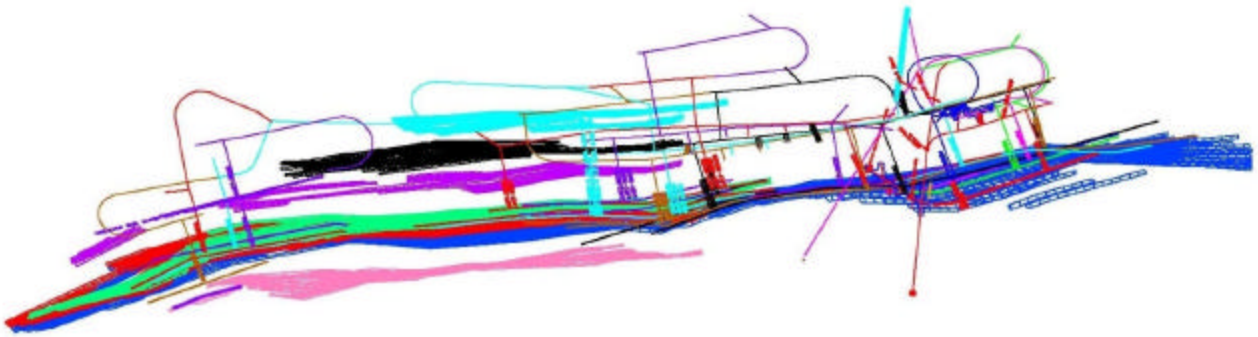
REFINING

First Three Laterals



FORMATION

MINING REFINING



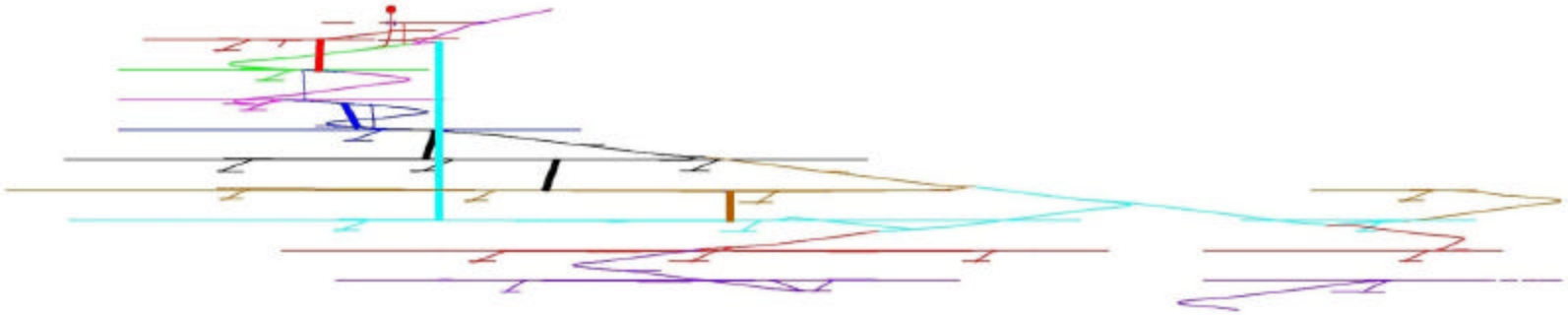
Overall Mine Plan

FORMATION

MINING

REFINING

Mine Long Section



Mining Methods

- Mechanized Cut and Fill
  - 70 foot vertical lifts (84-ft on slope)
- LHD Accessed slusher stopes
  - Transition at narrower widths
    - Grade up – haulage/milling cost down
    - Operators vision high grade - miners vision ease of mucking, bolting, drilling and blasting
  - Reduced DPM's
- Longhole sublevel stoping
  - As ground conditions permit

Paste Fill

- Dewatered Tailing
  - Hydraulically placed paste
  - 14-28 day cure time
- 4% cement standard stope fill
- 10% cement underhand stope
  - Combination of paste, and cemented gob

Ground Conditions

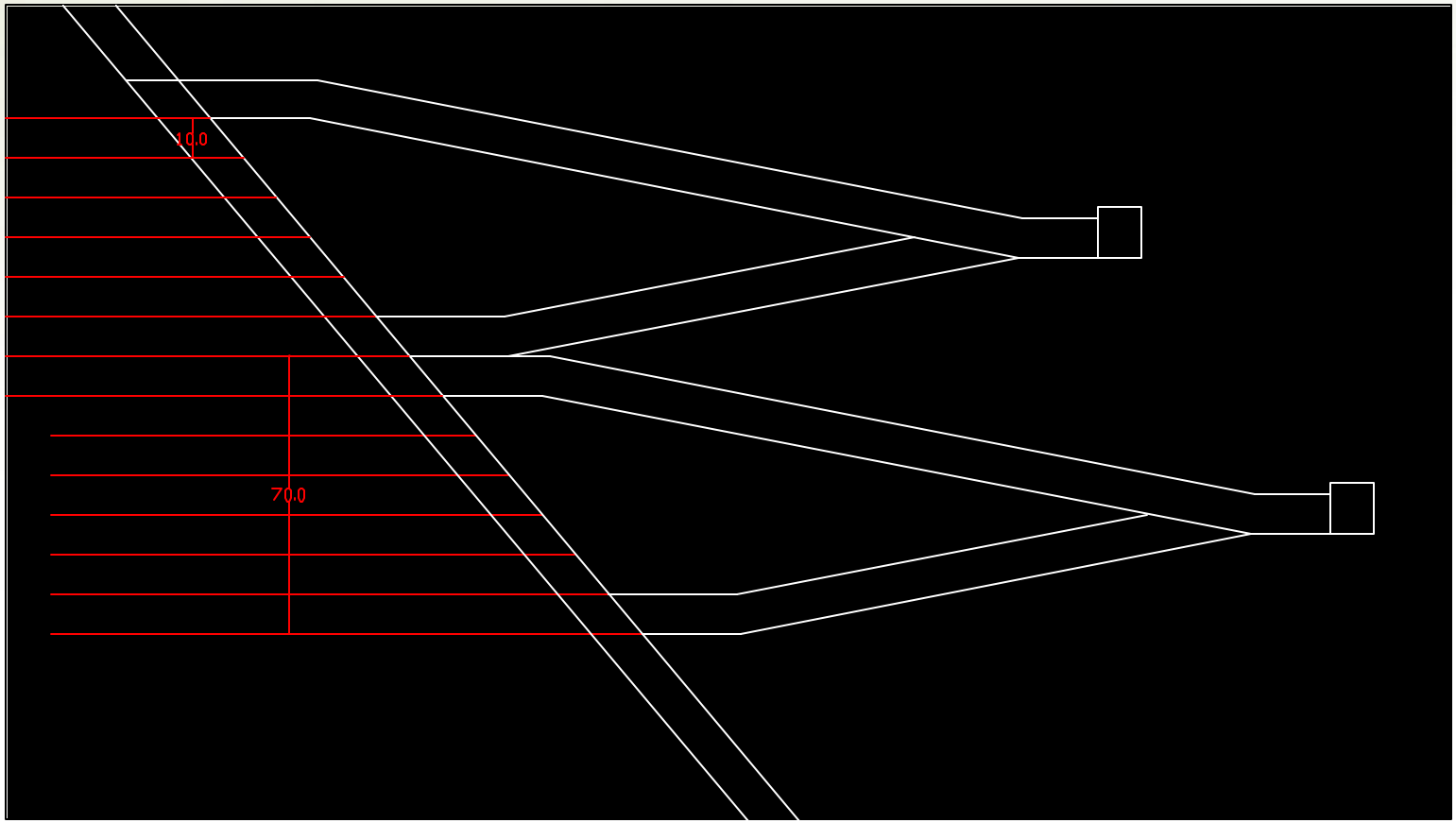
- RMR
  - Ave range 50-59 fair
  - All data taken from core
  - RMR consistent within rock types
    - Quartzites majority of rock - RMR fair or better
    - BTE Biotitic Tuffaceous Exhalative – RMR Very Poor
    - STE Siliceous Tuffaceous Exhalative (hard, competent) – RMR ?
  - Differs along strike of the orebody declining to the North
  - Differs on scale Micro or Macro

FORMATION

MINING

REFINING

Typical Access Ramp



Secondary Excavations

- Main decline will connect laterals
- Each lateral will have:
  - Powder Mag
  - Primer Mag
  - Escape way (utility raise)
  - Ventilation Controls
  - Sump and drains
  - Muckbays at each stope

Ore Transportation

- Ore will be moved from the heading using 2yd LHD
- Ore will be mucked from muckbays to a 20-ton truck and transported to the Tram loading station. (50 ton capacity)

Ventilation

- Two portals
  - Intake
    - One of the main decline ramps initially
    - Later intake to a vertical alimak raise
  - Exhaust
    - Combination of ramps and raises
      - Raises will be combination of shot longhole and raisebore or alimak raises.
      - Raises will also be escapeway and utility

Vent Cont.

- Main Fans 200,000 cfm +
- Secondary fans as air is required
  - Slusher stopes
  - LHD stopes
  - Longhole stoping
- Ventilation controls will be with a series of airlock doors and curtains as required.

Conclusion

The reality of each project is that there is a “Feasibility Study” which is then optimized (converted from paper to a operational plan) staying within an economic standard that will eventually fit the business plan of the operator.

FORMATION

MINING

REFINING

Co 27

THE END