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COBALT - A BETTER FUTURE

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FORMATION METALS INC.

Uranium Assets
October 2011

FCO.TSX



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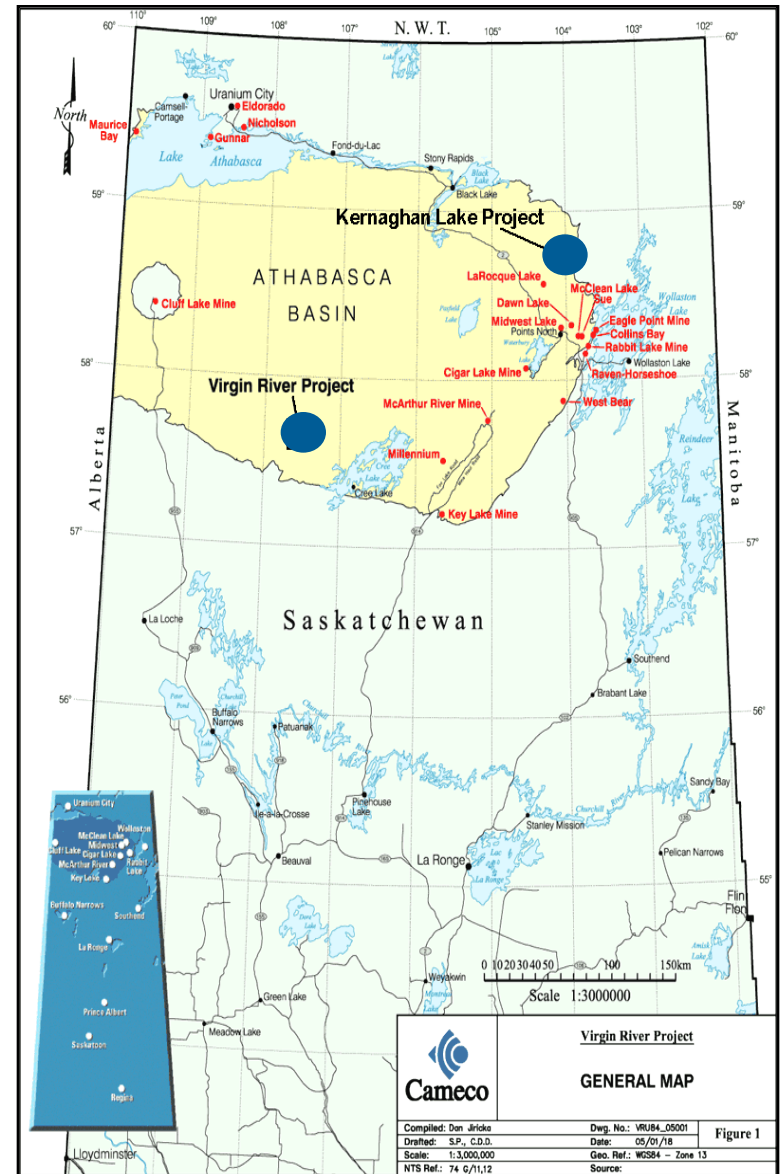
Formation Metals - Two Canadian Uranium Projects

Virgin River

- Joint Venture with Cameco & Areva
- Cameco is project operator
- 2% interest
- First right of offer to earn up to 10%

Kernaghan Lake

- Joint Venture with Areva & Cameco
- Areva is project operator
- 20% interest



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Virgin River - Key Facts

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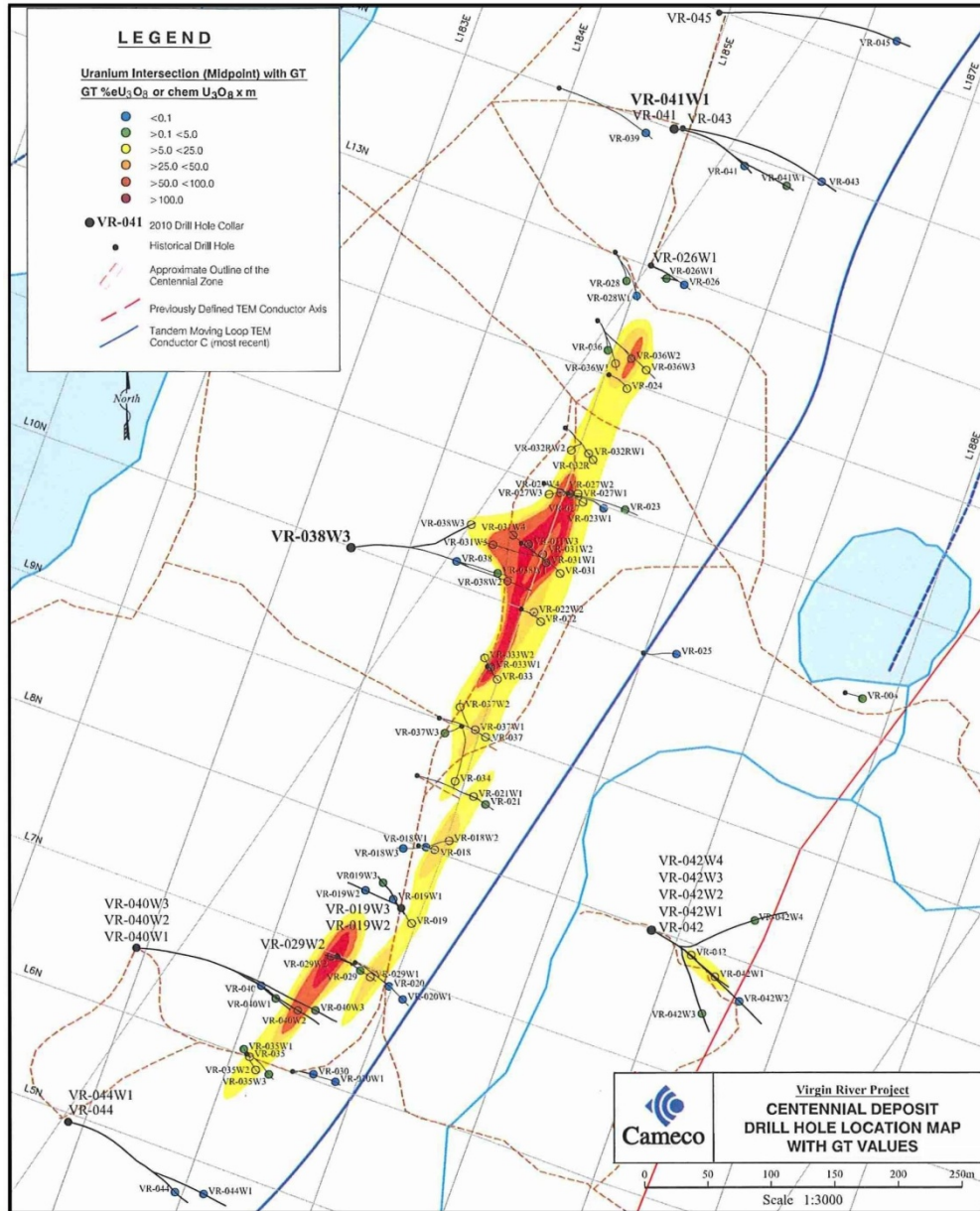
- Exceptional Grades:
 - 8.78% U_3O_8 over 33.9 m = 297.6 grade thickness
 - 6.74% U_3O_8 over 20.2 m = 136.1 grade thickness
 - 7.57% U_3O_8 over 17.8 m = 134.7 grade thickness
 - 6.96% U_3O_8 over 19.1 m = 132.9 grade thickness
- Centennial Deposit defined along 650 m of strike length & minimum across strike width of 10 - 52 m. Remains open along north & south strike.
- McArthur River style target (world's largest, high-grade uranium deposit with proven and probable reserves of 349.1 million pounds U_3O_8)
- 2010 winter drilling discovers new parallel mineralized zone
- Approx. \$26.8 million spent to date
- 2011 budget: \$3 million



Virgin River - Centennial Zone



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Virgin River - Drill Results

DDH	Depth From (m)	Depth To (m)	Thickness (m)	Max Grade (% U ₃ O ₈)	Avg Grade (% U ₃ O ₈)	GT (mX%)
VR-018	789.1	795.5	6.4	17.80	5.83	37.3
VR-018W2	788.5	795.9	7.4	24.80	4.43	32.8
VR-019	791.9	795.6	3.7	10.40	3.56	13.2
VR-021W1	798.1	804.4	6.3	21.60	2.63	16.6
VR-022	778.7	794.2	15.5	2.86	0.71	10.9
VR-022W2	781.0	799.2	18.2	18.50	2.58	47.0
VR-024	821.3	826.5	5.2	6.76	3.68	19.1
VR-027	800.9	816.6	15.7	2.99	0.71	11.1
VR-027W1	806.8	818.8	12.0	11.10	1.99	23.9
VR-027W2	800.7	820.9	20.2	52.20	6.74	136.1
VR-027W3	806.8	816.7	9.9	5.39	1.51	14.9
VR-027W4	797.0	829.2	32.2	19.75	2.46	79.2
VR-029W1	797.0	802.0	5.0	38.00	9.39	47.0
VR-029W2	800.4	813.6	13.2	39.10	7.46	98.5
VR-031	788.9	803.5	14.6	9.77	0.96	14.0
VR-031W1	790.9	808.7	17.8	35.30	7.57	134.7
VR-031W2	794.5	806.0	11.5	41.00	4.46	51.3

Note: Drill results greater than 10 GT from the Centennial Deposit

Virgin River - Drill Results

DDH	Depth From (m)	Depth To (m)	Thickness (m)	Max Grade (% U ₃ O ₈)	Avg Grade (% U ₃ O ₈)	GT (mX%)
VR-031W2	794.5	806.0	11.5	41.00	4.46	51.3
VR-031W3	797.0	830.9	33.9	28.90	8.78	297.6
VR-031W4	800.0	812.0	12.0	35.00	7.14	85.7
VR-031W5	803.0	817.4	14.4	14.70	4.58	66.0
VR-032RW1	802.9	821.0	18.1	3.04	1.01	18.3
VR-033	783.9	793.0	9.1	14.40	3.19	29.0
VR-033W1	782.2	801.3	19.1	67.50	6.96	132.9
VR-033W2	791.5	801.6	10.1	11.00	3.40	34.3
VR-034	789.6	800.9	11.3	15.85	2.13	24.1
VR-035	802.8	808.8	6.0	11.20	2.00	12.0
VR-036W1	820.3	843.3	23.0	8.50	1.25	28.9
VR-036W2	829.9	850.6	20.7	18.90	3.35	69.3
VR-036W3	812.9	820.8	7.9	6.27	1.74	13.7
VR-037	799.5	801.4	1.9	13.50	5.99	11.4
VR-037W1	788.6	794.2	5.6	15.80	4.53	25.4
VR-037W2	785.0	795.8	10.8	5.74	1.63	17.6
VR-038W2	823.0	843.2	20.2	52.50	3.98	80.4
VR-040W2	823.0	832.0	9.0	32.10	8.40	75.6
VR-042W4	810.9	819.2	8.3	14.30	1.93	16.0

Note: Drill results greater than 10 GT from the Centennial Deposit cont...



Kernaghan Lake - Project Description

Location:

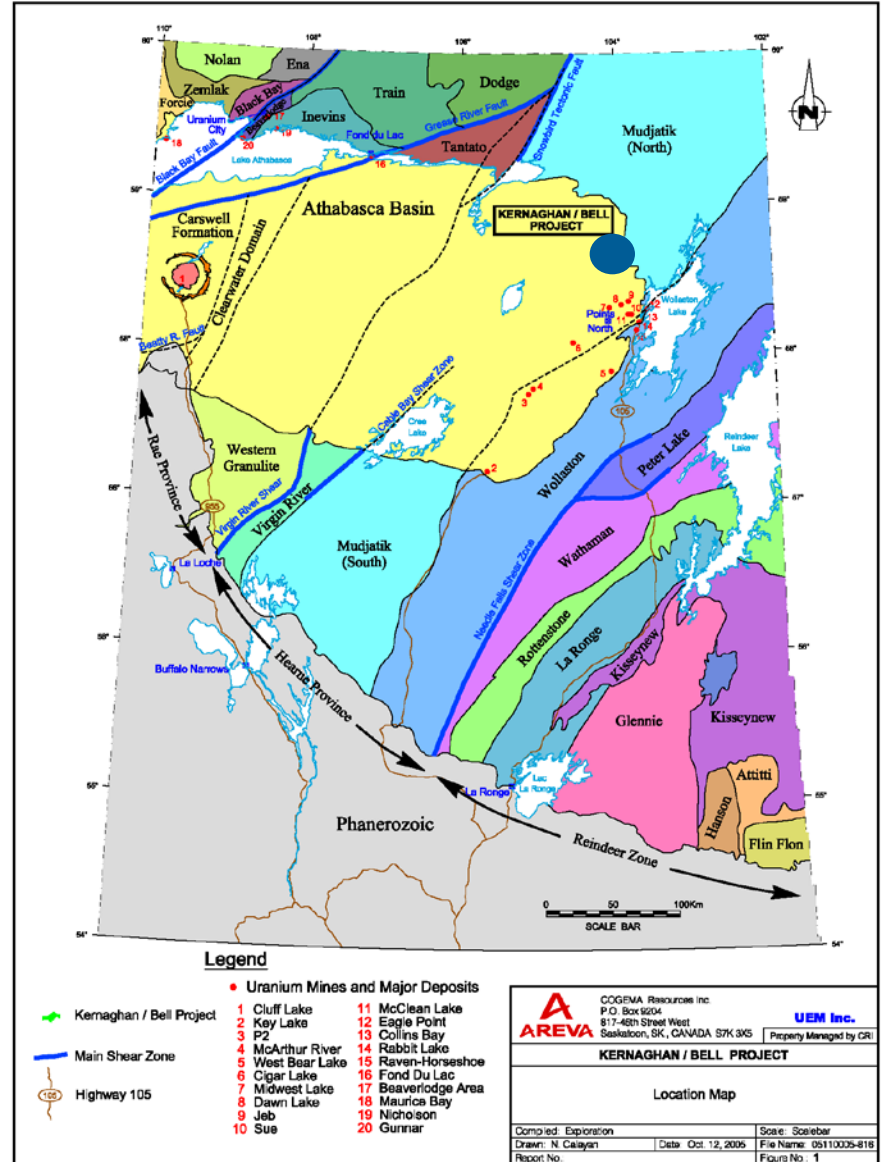
Northeast rim of the Athabasca Basin

Size:

4,342 HA in 13 claims

Depths:

Unconformity depths range from 165 to 290 metres (541 – 950 ft considered relatively shallow)



Kernaghan Lake - Project Description



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- 5 km north of La Rocque Lake discovery, where @ 31.9% U_3O_8 was intersected over 0.7 m (2.3 ft)
- Key Lake style target (largest high-grade uranium milling operation in the world, production capacity of 18.7 million pounds U_3O_8 annually)
- 38 diamond drill holes totaling 10,051 m

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