Formation Metals Successfully Produces High Purity Cobalt Salts for the Rechargeable Battery Sector in Bench Scale Tests

Vancouver, B.C., December 8, 2015, Formation Metals Inc. (FCO-TSX) (the “Company” or “Formation”) announces that initial bench test production of cobalt sulfate heptahydrate crystals suitable for the rechargeable battery sector has been successfully completed from ore samples from Formation’s Idaho Cobalt Project (“ICP”). This bench test work, outlined through a Memorandum of Understanding (“MoU”) and Non-Disclosure Agreements (“NDA”) with critical technology and equipment suppliers, has developed and tested the process of producing cobalt salts used in the rechargeable battery sector.

This metallurgical advancement represents the culmination of a year-long testing program designed to demonstrate that high purity, battery grade cobalt sulfate could be produced from Formation’s Idaho Cobalt Project (“ICP”) ore and was recently verified by General Electric’s Water and Process Technologies’ (“GE”) group.

Under the terms of a MoU, GE is to supply the equipment for the crystallizer sections of the ICP’s Cobalt Process Facility (“CPF”), while Formation will utilize Cytec Industries Inc.’s (“Cytec”) reagents in the solvent extraction of cobalt used to purify solutions for GE equipment to produce high purity cobalt sulfate heptahydrate crystals.

Paul Farquharson, President & CEO of Formation stated, “Thanks to the many participants in the flowsheet development and testing steps that included in-house consultants, Samuel Engineering Inc., Irish Metals llc, Hazen Research, Cytec, and GE, Formation has demonstrated it can successfully produce high purity, battery grade cobalt sulfate from ICP ore.”

The successful completion of this pilot study utilized one of Cytec’s CYANEX reagents to produce a cobalt rich solution suitable for the production of battery grade cobalt salts. This work involved the substitution of sodium hydroxide for magnesium oxide as the neutralizing base compound. The switch from sodium hydroxide to magnesium oxide resulted in a reduction of waste products and the potential to realize additional revenues through sales of by-product magnesium sulfate. This environmentally responsive approach to plant design exemplifies Formation’s commitment to its Corporate Social Responsibilities’ core values. Through this testing, two of the key process steps, cobalt solvent extraction from Cytec, and crystallization from GE, performed as required in support of the Formation’s, 2015 Preliminary Economic Assessment (“PEA”) dated April 29, 2015.

Matthew Soderstrom, Technical Director at Cytec said “We are extremely enthusiastic about the piloting results and the way the collaboration is progressing with FMI [Formation]. This is part of Cytec’s global innovation strategy to enable new extraction routes for critical materials used in energy storage technologies of the future”.

Samuel Engineering of Denver, CO, (“SE”), is the Company’s lead engineering firm overseeing the metallurgical test work. The testwork was recommended by SE in the Company’s PEA, SEDAR filed on May 8, 2015 (see Company’s May 11, 2015 News Release for Summary of PEA results).

The following are SE’s current findings and recommendations:

“Based on the extensive metallurgical testwork results to date, successful modifications to the Mill & CPF flowsheets and the recent results and commitments from GE and Cytec, SE anticipates that the final end product will meet the quality standards for high purity cobalt sulfate chemicals required for the emerging rechargeable battery, stationary storage and electric vehicle sectors.

Based on current GE and Cytec testwork results, SE is recommending that project development activities be advanced to support and produce a Definitive Feasibility Study”

Mr. Farquharson further commented, “We are pleased with Samuel’s recommendations to advance the project to the Definitive Feasibility Study level. We look forward to working closely with GE and Cytec to further demonstrate to end users that Formation is capable of producing an essential raw material critical to this growing rechargeable battery revolution in an ethically and environmentally responsible manner”.

Mr. Farquharson further commented, “We are pleased with Samuel’s recommendations to advance the project to the Definitive Feasibility Study level. We look forward to working closely with GE and Cytec to further demonstrate to end users that Formation is capable of producing an essential raw material critical to this growing rechargeable battery revolution in an ethically and environmentally responsible manner”.

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All required metallurgical testwork to confirm the viability of producing battery grade cobalt chemicals from the cobalt project site ore have been successfully performed. The following milestones outline the metallurgical testwork completed to date:

- Process flow sheet developed to produce cobalt chemicals, November 2014 - March 2015
- PEA performed on proposed flowsheet, SEDAR filed May 2015
- Flotation tests finalized, final flow sheet determined, July - August 2015
- NSC (Nitrogen Species Catalyzed) leaching made Pregnant Leach Solution from concentrate as per the existing PEA flow sheet, July - August, 2015
- Copper reduction from cobalt concentrate achieved, July - August 2015
- Iron, and trace copper removal steps were finalized as part of testing, July - August 2015
- Cobalt SX (Solvent Extraction) was piloted and successfully produced the required cobalt to magnesium ratio strip solution, October 2015
- Cobalt Sulfate Heptahydrate Crystals successfully produced at desired size from Co SX strip solution, November 2015.

Process personnel indicated that the characteristics of the cobalt sulfate heptahydrate crystals are consistent with those needed by the battery industry and the methodology to produce them fits with the methodology contemplated in the Company's PEA.

Formation’s management anticipates utilizing the final results of this metallurgical testwork to assist in the advancement of the project towards definitive feasibility as recommended by SE.

About Formation Metals Inc.
Formation Metals Inc.'s primary asset, the Idaho Cobalt Project, remains the sole, near term, fully environmentally permitted, primary cobalt deposit in the United States and offers a unique potential for North American consumers to secure an ethically sourced, environmentally sound supply of battery grade cobalt chemicals, mined safely and responsibly in the United States. www.formationmetals.com

About Cytec Industries Inc.
With innovation at its core, Cytec Industries (NYSE: CYT) has been the global leader in mining chemicals for 100 years. Partnering with producers of copper, cobalt, alumina and other key metals, Cytec provides reagents and solutions based on an intensive technical support model to meet customers’ metallurgical challenges and optimize mining operations by reducing costs and improving productivity. www.cytec.com

E.R. (Rick) Honsinger, P.Geo., Vice President of the Company, is the Qualified Person as defined by National Instrument 43-101 who has supervised the preparation of this news release and has approved its contents.

Formation Metals Inc.
“J. Paul Farquharson”

J. Paul Farquharson
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The Company cautions that the results from the metallurgical testwork discussed in this news release is preliminary in nature, and is based on technical and economic assumptions which will be evaluated in further studies. The PEA referred to in this report is based on the current (as at March 10, 2015) ICP estimated resource model, which consists of material in both the measured/indicated and inferred classifications. Inferred mineral resources are considered too speculative geologically to have technical and economic considerations applied to them outside the scope of a PEA. The current basis of project information is not sufficient to convert the mineral resources to mineral reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability. Accordingly, there can be no certainty that the results estimated in the PEA will be realized.

In addition, this news release contains “forward-looking statements” within the meaning of applicable Canadian securities legislation. Statements in this news release pertaining to projected revenues and cash flows, quantity and grade of mineralized materials, estimated mineral prices and the continued expansion of the market for battery grade cobalt chemicals are forward-looking statements. These forward-looking statements are based on assumptions and address future events and conditions and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Many of the assumptions respecting projected revenue, cash flow and quantity of mineralized materials have been
set out in detail in the Preliminary Economic Assessment filed on SEDAR on May 8, 2015. Such projections are and will inevitably always be dependent on assumptions about future mineral prices and development costs which will be subject to fluctuation due to global and local economic conditions. This news release also contains forward-looking statements respecting the growing demand for battery grade cobalt chemicals, which demand may or may not continue to grow depending on consumer habits and technological developments. Further information regarding risks and uncertainties which may cause results to differ from those contained in forward-looking statements is included in filings by the Company with securities regulatory authorities and is available at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although the Company has disclosed that it has successfully produced cobalt sulfate heptahydrate crystals on a bench scale level, from cobalt solvent extraction strip solution from the Company's ICP, there is no guarantee that the Company will attain commercial production of such crystals for use in the rechargeable battery sector. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

The statements contained in this news release in regard to Formation Metals Inc. that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including Formation Metals Inc.’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 Formation Metals Inc. 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.