



A.B.N. 71 002 802 646

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

Proxy Form

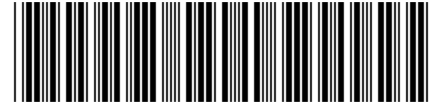
All correspondence to:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2555
www.computershare.com



000001
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HMC
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I ND

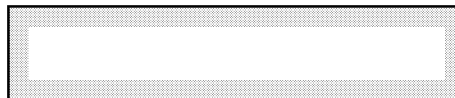
Appointment of Proxy

I/We being a member/s of Hydromet Corporation Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Hydromet Corporation Limited to be held at Watson Bay Room, Carlton Crest Hotel, 169 - 179 Thomas Street, Haymarket, NSW 2001 on Tuesday 20 March 2007 at 10:00am and at any adjournment of that meeting.

Voting directions to your proxy - please mark to indicate your directions

1 To approve the issue of 90,000,000 ordinary shares

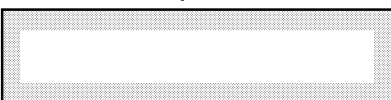
For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

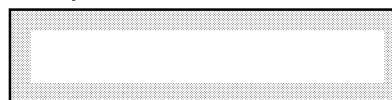
PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



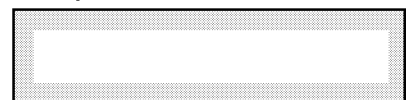
Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

HMC

1 3 P R



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 10:00am on Tuesday 20 March 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON Registered Office - Lot 3, Five Islands Road, UNANDERRA NSW 2256
Share Registry - Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000 Australia
- BY MAIL Registered Office - Lot 3, Five Islands Road, UNANDERRA NSW 2256
Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
- BY FAX 61 3 9473 2118

NOTICE OF GENERAL MEETING

Hydromet Corporation Limited
ACN 002 802 646

Notice is given that a general meeting of Hydromet Corporation Limited ('Company') will be held at Watson Bay Room, Carlton Crest Hotel, 169-179 Thomas Street, Haymarket, NSW 2001 on Tuesday, 20 March 2007 at 10:00 am.

SPECIAL BUSINESS

1. APPROVAL OF ISSUE OF SECURITIES

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 7.1, shareholders approve the issues of 90,000,000 ordinary shares on the terms set out in the Explanatory Memorandum.'

DATED: 15 February 2007

By Order of the Board



Mr Pipvide Tang
Company secretary

NOTES:

A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.

The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form to the share registry of the Company, Computershare Investor Services Pty Limited, located at Level 2, 60 Carrington Street, Sydney, NSW 2000 or at the Company's Registered Office located at Lot 3 Five Islands Road, Unanderra, NSW 2526, Australia or by mail to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC 8060 Australia or by facsimile to Computershare on 61 3 9473 2118 by 10 am AEST on 18 March 2007.

A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.

The Company has determined in accordance with Regulation 7.11.37, *Corporations Regulation 2001* that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of members as at 5 pm on Friday, 16 March 2007.

If you have any queries on how to cast your votes then call Pip Tang on 02 4271 1822 during business hours.

VOTING RESTRICTION STATEMENT

In accordance with ASX Listing Rules, the Company will disregard any votes cast on the resolution by any intended allottees and any associate of any of them.

However, the Company need not disregard any such vote if:

- (a) it is cast by any person referred to above as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. In accordance with listing rule 14.2.3, the manner in which the Chairman intends to cast any undirected proxies given to him i.e. proxies that do not specify the manner in which way the proxy is to be cast, is set out on the Proxy Form.

EXPLANATORY MEMORANDUM

Hydromet Corporation Limited
ACN 002 802 646

This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the general meeting to be held on Tuesday, 20 March 2007.

This explanatory memorandum should be read with, and forms part of, the accompanying Notice of General Meeting.

SPECIAL BUSINESS

APPROVAL OF ISSUE OF SECURITIES

The purpose of Resolution 1 is for shareholders to approve, pursuant to Listing Rule 7.1, the placement of securities to sophisticated and professional investors which would otherwise count toward the Company's 15% limit under Listing Rule 7.1.

As stated above, Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant to the issues of securities noted below) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares at the commencement of that 12 month period.

If Resolution 1 is approved, the placement will not be counted towards the 15% capacity which will enable the Company to issue further securities up to that limit.

The information required to be provided to shareholders in relation to the approvals as specified in Listing Rule 7.3 is set out following.

Date by which securities will be issued	All shares issued pursuant to resolution 1 will be issued by no later than 20 June 2007, being three months after the date of the General Meeting.
Maximum number and class of securities issued	The maximum number of securities that will be issued is 90,000,000. All shares issued pursuant to this resolution will be fully paid ordinary shares ranking equally in all respects with existing ordinary shares in the Company.
Issue price	All shares issued pursuant to this resolution will be issued at a minimum issue price that is at least 80% of the average market price for shares, as calculated by reference to the closing price of the Company's shares over the last 5 days on which sales in the Company's share are recorded before either the day on which the relevant issue is made.

<p>Basis upon which allottees will be identified or selected</p>	<p>The identity of the person to whom the shares may be offered and issued is not yet known and will be determined by the Directors.</p> <p>It is currently intended that the allottees will be either clients of brokers appointed by the Directors for the purposes of the placement or shareholders of any company that the Company may acquire (as full or part consideration for the acquisition) (or both). The allottees will not be related parties of the Company.</p>
<p>Use of funds</p>	<p>The Company had previously foreshadowed to the market that it was conducting due diligence of an offshore selenium chemical producer and residue processor with a view to substantially increasing its presence in the global market. As an alternative, the Company is also considering developing its own production and processing capacity. The funds raised from the issue of shares pursuant to Resolution 1 will be applied to furthering these proposals.</p>
<p>Allotment</p>	<p>Allotment will occur progressively.</p>