



CORPORATION LIMITED
A.B.N. 71 002 802 646

9th June 2000

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Fax # 1300 300 021

Dear Sir/Madam

The Board of Directors of HydroMet takes pleasure in announcing that the Company has received approval from NSW EPA for its Lead Residue Immobilisation Process.

This significant breakthrough will permit HydroMet to effectively treat and dispose of a 19,000 tonne stockpile of lead bearing residue on behalf of its client. The project will be carried out over the next two to two and a half years at our plant in Unanderra, NSW, generating a sustainable revenue stream for the Company.

We are excited by this significant achievement made by HydroMet. It will provide an environmentally sensible and acceptable disposal solution to an existing hazardous residue problem for which there was no satisfactory treatment process available. This technology for immobilising lead bearing residues effectively guarantees long term stability of the treated material in landfill storage. The HydroMet developed technology was not previously available either in Australia or internationally. We believe that the process could be extended to processing other complex industrial heavy metal residues currently generated and stockpiled both in Australia and overseas. As a result of this breakthrough HydroMet is well placed in the forefront of the environmental management field dealing with hazardous industrial residues.

Shareholders will be aware that this approval is the culmination of over two years of dedicated, extensive research and development work, carried out within the Company and developed to solve a difficult smelter residue disposal problem.

Having received the EPA's approval, we are now finalising a commercial agreement with our client. Once the agreement is completed we anticipate that the upgrading of the existing plant at Unanderra to treat the 16,000 mt stockpile will commence immediately and commissioning should occur prior the end of the calendar year.

HydroMet will capitalise on the opportunities created by this technology and the Directors' believe that this process will make a valuable contribution to the growth of the Company.

The Board would also take this opportunity to inform shareholders that the Iron/Fluoride Immobilisation Process approved by EPA in November 1999 is operating commercially, providing additional revenue and again a solution to another waste disposal problem.

HydroMet was also successful in securing the Manganese Mud Treatment Contract for a further 12 months for our Hobart facility.

Yours sincerely

Gregory W Wrightson
Director and General Manager