



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

10th October 2000

The Manager.
Company Announcements Office,
Australian Stock Exchange Limited.
Exchange Centre.
20 Bond Street,
SYDNEY NSW 2000.

Dear Sir/Madam,

The Board of Directors of Hydromet Corporation has pleasure in announcing the following major contract, which it believes, will provide another significant step forward to the company's future activities.

Hydromet has entered into a commercial treatment agreement valued approximately \$4.2 million with Falconbridge Nikkelverk A.S. of Norway which is a subsidiary of Canadian based Nickel Cobalt producer, Falconbridge Ltd.

The above agreement is to process up to 600 metric tonnes of selenium and precious metal bearing residues generated by Falconbridge Nikkelverk A.S, utilising Hydromet's recovery technology.

The process will produce selenium for domestic and export markets and an upgraded precious metal concentrate for return to the generator. The project will be carried out over a period of two years.

The contract is subject to the approval of Commonwealth EPA and the successful treatment of an initial parcel of 100 metric tonnes.

Hydromet has previously treated a trial parcel of the residue from Falconbridge successfully demonstrating the application of its technology in processing of this residue, to its client.

The Directors believe that Hydromet is now well placed both within Australia and internationally to explore similar commercial opportunities utilising its technologies in the specialised field of industrial waste treatment.

This contract along with the recently announced \$11 million lead immobilisation contract with Rio Tinto and placement of \$1.462 Million for these and other projects demonstrates the long road of process development and testwork has resulted in significant support for the Hydromet's pioneering waste treatment technologies.

Yours sincerely

Gregory W Wrightson.
Managing Director.