



CORPORATION LIMITED

A.B.N. 71 002 802 646

18 January 2001

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Fax # 1300 300 021

Dear Sir/Madam

### **PROGRESS UPDATE**

#### **Falconbridge Metal Recovery Project - Import Permit Received**

The Directors of Hydromet take pleasure in announcing the recent approval granted by the Commonwealth EPA to import and process 600 tonnes of precious metal bearing residue following the previous commercial agreement signed between Falconbridge Nikkelverk A.S, of Norway and HydroMet. As per our announcement dated 10 October 2000 the agreement was subject to the approval by the Commonwealth EPA.

Receipt of the permit for the \$4 to 4.5 million project is the culmination of two years extensive development and pilot trial work, to develop the process, not available to our client anywhere else in the world. The material will be treated by HydroMet at our Newcastle facility using the unique recovery process.

It is expected that the project will be carried out over the next two years with the precious metals recovered being returned to the client and valuable Selenium extracted, being sold by Hydromet to local and overseas customers.

The company will complete a plant upgrade to facilitate the treatment process and expects to receive the first 100 tonne parcel by the end of February with processing to commence in March.

### Lead Immobilisation Process

Installation of the \$0.55 million plant to immobilise the 16,000 tonnes of Lead Residue was completed and commissioned in December 2000.

Full scale processing commenced in January with very satisfactory progress achieved, along with the treatment fees earned from residue treated.

A commissioning report is being prepared for NSW EPA in accordance with the process approval received in September 2000.

Processing rates are in line with expectation and quality analyses confirm treated material to meet EPA Landfill Disposal criteria.

### The Stanton Project

An identified resource estimate on Stanton Cobalt-Nickel prospect, prepared by our consultant geologist, is expected to be received by the end of January for review by the Board.

As reported in November 2000, any further fieldwork can only commence during May - June 2001, after the current wet season.

### Other Projects

Other Steel Mill and aluminium Smelter residue treatment projects are expected to continue over the period from January to June 2001.

Yours sincerely

Neil Smith  
Company Secretary