



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

March 22nd 2002.

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 Corporation Limited wishes to advise that the Share Purchase Plan which opened on Wednesday 13<sup>th</sup> February and which closed on Wednesday March 13<sup>th</sup>, 2002.

Directors are very pleased to advise that the Share Purchase Plan was extremely well received by shareholders with in excess of 900 shareholders applying for 44,017,184 ordinary shares, raising \$2.2 Million. As the plan was oversubscribed in relation to the 15% limit permitted by ASX Listing Rule 7.1, in accordance with the Share Purchase Plan Terms and Conditions an Extraordinary General Meeting of shareholders will be called to seek approval for excess application monies received and to ratify the 15% allowed under Listing Rule 7.1.

In addition the Directors will be seeking shareholder approval for the placement of a further 36,000,000 ordinary shares arranged through clients of E Trade Australia Securities Limited at a price of 5.0 cents per share (\$1.8 Million). Included in the 36,000,000 ordinary share placement are 4,250,000 ordinary shares at 5 cents per share with Chemmet Pty Ltd a company associated with Dr L Jayaweera Chairman of Hydromet Corporation Limited. Placement of the shares with Chemmet is subject to shareholder approval.

Funds raised from the Share Purchase Plan are to be utilized to upgrade plant and construction works relating to the Onesteel project (announced in January 2002) for the treatment of Electric Arc Furnace Dust to recover and recycle Zinc to produce Zinc Sulphate.

Additional funds raised from the placement are to be used to pursue a number of other opportunities currently under negotiation with potential clients. Further information will be provided to shareholders along with the notice of Extraordinary General Meeting.

With improved cash flow from operations along with funds raised from the Share Purchase Plan and placement the company will be in a strong position to take advantage of other opportunities in the environmental recycling business.

Yours sincerely

Gregory W Wrightson  
Managing Director

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