



February 1<sup>st</sup> 2002.

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

Fax # 1300 300 021

Dear Sir/Madam

Share Purchase Plan - offer to Shareholders.

The Board of Directors of HydroMet Corporation Limited wishes to advise it has approved a Share Purchase Plan offer to all registered shareholders listed as at close of business on Friday 8th of February 2002.

Funds raised from the Share Purchase Plan will be applied to capital upgrade works associated with our recently announced Onesteel project where we will process up to 7,000 metric tonnes per annum of Electric Arc Furnace dust to produce Zinc Sulphate at our Unanderra NSW plant. In addition some funds will be used to pursue a number of other waste processing opportunities aimed at further long-term sustainable business.

The offer is aimed at providing shareholders that have remained long term supporters of Hydromet, the opportunity to take up an additional shareholding in the Company at a discount.

The basis of the Share Purchase Plan is :

- Shares will be offered to eligible shareholders at 5 cents per share.
- Each shareholder will be entitled to take up shares to a maximum value of \$3000 (up to 60,000 shares) with a minimum acceptance value of \$500 (10,000 shares).
- The Share Offer will open at 9 am on Wednesday 13<sup>th</sup> February 2002 and close at 5 pm on Wednesday 13<sup>th</sup> March 2002.

Yours faithfully

A handwritten signature in black ink, appearing to read "Gregory W Wrightson", written over a horizontal line.

Gregory W Wrightson.  
Managing Director.