



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

January 24th, 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

5 YEAR CONTRACT WITH ONESTEEL LIMITED.

The Board of Directors of HydroMet Corporation Limited takes great pleasure in announcing that Hydromet has signed an initial 5 year agreement with Onesteel Limited to process up to 7,000 metric tonnes per annum of electric arc furnace dust produced as waste, from its Rooty Hill NSW steel mill.

- Onesteel will pay Hydromet a treatment fee for the dust as processed.
- The project has an estimated combined revenue potential of up to \$25 Million over the initial 5 years.
- Hydromet will produce up to 4,000 metric tonnes of Zinc Sulphate per annum from the dust, replacing imports and will be the only Australian manufacturer of this product.
- Zinc Sulphate is an important agricultural and animal feed chemical for both the domestic and export markets.
- The contract represents an environmental breakthrough, recycling a valuable zinc resource as an alternative to its current disposal to landfill as partially treated waste. A practice which is under scrutiny and no longer a preferred disposal method.
- Processing is expected to commence in June 2002 after upgrade to Hydromet's Unanderra NSW plant.

The contract is a significant achievement for the Company, providing a long term sustainable business which will lead to other similar opportunities for the Group.

A copy of our proposed media release for circulation subsequent to this announcement is also attached for your information.

Yours Faithfully
Gregory W Wrightson.
Managing Director.