



A.B.N. 71 002 802 646

Our Ref.LJ2004167:mc

24 August 2004

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

Dear Sir/Madam

**Development Consent for Hydromet's Lead Acid Battery Recycling Project
at Unanderra**

The Directors of Hydromet are pleased to announce that Wollongong City Council has given the development consent to Hydromet to its lead acid battery (waste) recycling project proposed to be installed at its Unanderra operations in Wollongong. Hydromet's proposed process is aimed at offering an improved environmental solution to the recycling of used car batteries generated throughout Australia. The process is expected to produce upgraded quality lead feed which can be more attractive to secondary lead smelters throughout the world. It is expected that the secondary lead smelters will be able to reduce their overall cost using such feed due to slag reduction, minimum effluent discharge and low smelting cost. Hydromet also intends to consume the waste sulphuric acid generated from this project in its existing EAF dust processing facility for the production of zinc sulphate.

Hydromet will conduct a detailed feasibility study of the proposed project and also intends to explore any joint venture potential to take this project forward.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dr Lakshman Jayaweera', with a long horizontal flourish extending to the right.

Dr Lakshman Jayaweera
Chairman/Technical Director