

Media Release

Hydromet \$1.4 Million Profit and Dividend Signals Continued Growth For Company

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Australian waste treatment and recycling company Hydromet Corporation Ltd [ASX: HMC] today announced an after-tax profit of \$1.427 million for the year ending June 2002. The company also declared a final dividend of 0.15 cents per ordinary share fully franked.

The profit represents a \$3.1 million turnaround compared to a loss of \$1.6 million for the same period last year. The profit was based on operating revenue of \$11.6 million.

"This year's profit was the result of an excellent operating performance, principally from two major projects, namely the lead immobilisation contract with Rio Tinto, and the Selenium Precious Metal extraction project for nickel-cobalt producers Falconbridge Norway," said Hydromet Chairman and Technical Director Dr Lakshman Jayaweera.

"Today Hydromet has a strong competitive advantage to capitalise on and build our business in the growing waste recycling and management field. Our unique ability to recycle hazardous waste and immobilise waste where recycling is not warranted is well recognised by both the regulators and the generators of waste in Australia."

Earlier this year, Hydromet secured a long-term contract with OneSteel Ltd to recycle and produce zinc sulphate from electric arc furnace dust generated by the steelmaker's Rooty Hill NSW plant. The contract will make a significant, sustainable contribution to the company's bottom line.

To maintain the momentum of this year's result, Hydromet has a number of short-term and long-term projects currently under consideration, including:

- a proposal to recycle approximately 7,000 metric tonnes per year of waste sulphuric acid
- a submission to the local EPA and Council for the approval of an environmentally friendly car battery recycling plant with an estimated capacity of 12,000 tonnes per year
- the acquisition of an existing base metal smelter to develop a residue smelting operation
- the establishment of a long term processing contract with Falconbridge Norway
- a selenium contract on a sustainable basis with a US-based copper smelter

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