

HYDROMET CORPORATION LIMITED
(ABN: 71 002 802 646)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Hydromet Corporation Limited will be held on Friday, 29 November 2002 at 3.00 pm at the Carlton Crest Hotel Sydney, 169 – 179 Thomas Street, Sydney, New South Wales.

Business

1. Accounts and Reports

To receive the financial statements of the Company and of the consolidated entity for the year ended 30 June 2002 and the reports of the Directors and Auditor thereon.

2. Resolutions for Consideration by Members

Resolution 1:

Under Rule 12.9(a) of the Company's Constitution, Mr Stephen Kwan retires by rotation from the Board and, being eligible, offers himself for re-election.

"To re-elect Mr Stephen Kwan as a Director"

Resolution 2:

Grant of Options to Directors of the Company.

"To consider and, if thought fit, to pass each of the following resolutions as ordinary resolutions (for the purposes of ASX Listing Rule 10.11):

- (a) "That if resolutions 2(b), (c), (d) and (e) are passed, the grant by the Company to Pipvide Tang, Non-Executive Director, of options to subscribe for up to 2,000,000 fully paid ordinary shares in the Company on the terms described in the explanatory note to this resolution is hereby approved."
- (b) "That if resolutions 2(a), (c), (d) and (e) are passed, the grant by the Company to Stephen Kwan, Non-Executive Director, of options to subscribe for up to 2,000,000 fully paid ordinary shares in the Company on the terms described in the explanatory note to this resolution is hereby approved."
- (c) "That if resolutions 2(a), (b), (d) and (e) are passed, the grant by the Company to Lakshman Jayaweera, Executive Director, of options to subscribe for up to 2,000,000 fully paid ordinary shares in the Company on the terms described in the explanatory note to this resolution is hereby approved."
- (d) "That if resolutions 2(a), (b), (c) and (e) are passed, the grant by the Company to Gregory Wrightson, Executive Director, of options to subscribe for up to 2,000,000 fully paid ordinary shares in the Company on the terms described in the explanatory note to this resolution is hereby approved."
- (e) "That if resolutions 2(a), (b), (c) and (d) are passed, the grant by the Company to Timothy Richard Allen, Non-Executive Director, of options to subscribe for up to 2,000,000 fully paid ordinary shares in the Company on the terms described in the explanatory note to this resolution is hereby approved."

Voting Exclusion Statement

The Company will disregard any votes cast by the following people and their associates on the following resolutions:

- resolution 2(a): Pipvide Tang;
- resolution 2(b): Stephen Kwan;
- resolution 2(c): Lakshman Jayaweera;
- resolution 2(d): Gregory Wrightson; and
- resolution 2(e): Timothy Richard Allen.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.”

Explanatory Notes provided in Attachment A.

3. Other Business

To transact any other business as may be brought before the Meeting in conformity with the Constitution of the Company, the Corporations Act or otherwise.

By Order of the Board

Neil Smith
Company Secretary
29th October 2002

Attachments :

Attachment A – Explanatory Notes for Resolution 2 (a), (b), (c), (d) & (e)

Attachment B – Proxy Voting Form

ATTACHMENT A

EXPLANATORY NOTES FOR RESOLUTIONS 2 (a), (b), (c), (d) & (e)

Summary of the terms of the Options

Each Director is to be granted:

- 500,000 options to subscribe for 1 fully paid ordinary share each, which may be exercised on or after 31 December 2003;
- 500,000 options to subscribe for 1 fully paid ordinary share each, which may be exercised on or after 31 December 2004;
- 500,000 options to subscribe for 1 fully paid ordinary share each, which may be exercised on or after 31 December 2005; and
- 500,000 options to subscribe for 1 fully paid ordinary share each, which may be exercised on or after 31 December 2006.

All options will have an exercise price of \$0.08 and will lapse on 31 March 2007. In the event of the making of a takeover offer to acquire any class of shares in the Company, the options will become immediately exercisable.

The options will not entitle the holder to participate in new issues of securities to the Company's shareholders based on the shares to be issued upon exercise of the options unless the options are first exercised and the terms of the issue permit such participation.

If there is a pro rata bonus issue of securities to the shareholders of the Company prior to exercise of the options, upon exercise of the options the holders will be entitled to receive the bonus issue in respect of the shares resulting from the exercise of the options as if the options had been exercised prior to the record date for determining entitlements under the bonus issue.

If the Company makes an offer of ordinary shares pro rata to its shareholders prior to the exercise of any of the options, the exercise price of those unexercised options shall be decreased in accordance with ASX Listing Rule 6.22.

In the event of a reorganisation of the capital of the Company, the rights of the option holders in relation to the options will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Other features of the options, include:

- the options will not be listed on ASX and will be issued for no consideration;
- the shares issued on exercise of the options will rank pari passu in all respects with the Company's shares listed on ASX; and
- the Company will apply to ASX for official quotation of the shares issued on exercise of the options.

If an option holder exercises any of the options, the funds raised will be used for working capital purposes.

If the resolutions are passed, the options will be issued to the Directors within 30 days after the date of the meeting and approval will not be required under ASX Listing Rule 7.1 to exempt the options from counting towards the 15% of the issued capital of the Company that can be issued in any 12 month period without shareholder approval.

ATTACHMENT B

**HYDROMET CORPORATION LIMITED
(ABN: 71 002 802 646)**

PROXY VOTING FORM

ANNUAL GENERAL MEETING OF MEMBERS

Address for return of proxies:
The Secretary
Hydromet Corporation Limited
PO Box 42
UNANDERRA NSW 2526
Telephone: (02) 4271 1822
Facsimile: (02) 4271 6151

I/we
of
being a member/joint members of the above-mentioned Company appoint

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of

or failing him/her, or if no person is named, the Chairman of the meeting as my/our proxy to vote for me/us on our behalf at the General Meeting of the Company to be held on Friday 29 November, 2002 and at every adjournment thereof, in the manner indicated below, or in the absence of indication as he or she thinks fit.

	FOR	AGAINST	ABSTAIN
Resolution 1 – To re-elect Mr Stephen Kwan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (a) – Grant of options to Mr Pipvide Tang, Non-Executive Director, to subscribe for up to 2,000,000 fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (b) – Grant of options to Mr Stephen Kwan, Non-Executive Director, to subscribe for up to 2,000,000 fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (c) – Grant of options to Dr Lakshman Jayaweera, Executive Director, to subscribe for up to 2,000,000 fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (d) – Grant of options to Mr Gregory Wrightson, Executive Director, to subscribe for up to 2,000,000 fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (e) – Grant of options to Mr Timothy Richard Allen, Non- Executive Director, to subscribe for up to 2,000,000 fully paid ordinary shares in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chairman of the Meeting is to be your proxy, and you have not directed your proxy how to vote above, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that item and votes cast by him, other than as proxyholder, would be disregarded because of that interest. If the Chairman of the Meeting is your proxy, and you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on all Resolutions and your votes will not be counted in computing the required majority if a poll is called on these Resolutions.

The Chairman of the Meeting intends to vote undirected proxies in favour of all the Resolutions.

Dated this of2002.

Signature of Member/s:

Name of Member/s:

Position (Director/Secretary):

(Please refer to reverse side for important information and instructions)

IMPORTANT INFORMATION

A member is entitled to and has a right to appoint a proxy. A proxy has the same rights as the member to speak at the Meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll. The proxy need not be a member of the Company.

If a member is entitled to cast 2 or more votes that member may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half the votes.

This proxy and any power of attorney or other authority (or authorised copy of such documents) under which the proxy was signed must be delivered or forwarded by facsimile to the Company at least 48 hours before the relevant Meeting.

A vote given in accordance with a proxy voting form or a power of attorney is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed) or the transfer of the shares the subject of that proxy voting form or power, if no notice in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the registered office before the commencement of the Meeting or adjourned meeting at which the instrument is used or the power is exercised.

SIGNING THE PROXY

Category of Member Signing	Signing Instructions
Individual:	Single signature – nothing more
Joint Holding:	Signature of EACH member – nothing more
By attorney under power of attorney:	Signature of attorney – print name of attorney and state that the form is signed under power of attorney
Company:	<p>If a company, the proxy must be signed, with or without a company seal, (depending on the requirements of the company's Constitution) by:</p> <ul style="list-style-type: none"> § two directors of the company; or § a director and secretary of the company; § or for a proprietary company that has a sole director who is also the sole secretary – that director (by stating next to their signature that they are the sole director and the sole secretary of the company).