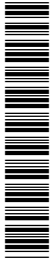


HYDROMET CORPORATION LIMITED

(ABN 71 002 802 646)

Notice of 2004 Annual General Meeting



Notice is hereby given that the 2004 Annual General Meeting of Hydromet Corporation Limited (“the Company”) will be held at Watson Bay Room, Carlton Crest Hotel, 169-179 Thomas Street, Sydney NSW 2000 on Friday 26th November 2004 at 3.00 p.m.

BUSINESS

1. To receive and consider the Annual Financial Report of the Company and the consolidated entity for the year ended 30 June 2004, and the Reports of the Directors and Auditors.

2. Election of Directors:

(a) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr. Stephen Kwan, a Non-executive Director retires by rotation at the close of the Meeting in accordance with Clause 12.9(a) of the Company’s Constitution and, being eligible, offers himself for re-election as a Director of the Company.’

(b) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr. Timothy Allen, a Non-executive Director retires by rotation at the close of the Meeting in accordance with Clause 12.9(a) of the Company’s Constitution and, being eligible, offers himself for re-election as a Director of the Company.’

(c) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr. Stephen Wolfe, a Non-executive Director who was appointed a director on 2 February 2004, retires at the close of the Meeting in accordance with Clause 12.5 of the Company’s Constitution and, being eligible, offers himself for re-election as a Director of the Company.’

3. Non-executive Directors’ remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, with effect from the date of this resolution, the remuneration for the services of non-executive directors of Hydromet Corporation Limited or to any of its controlled entities be an aggregate maximum sum of A\$200,000 per annum.”

4. Approve the issue of Redeemable Convertible Notes under Listing Rules 7.4

To consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purpose of ASX Listing Rule 7.4 the issue of 1,000,000 Redeemable Convertible Notes on 14 November 2003 (200,000 convertible notes), 17 December 2003 (700,000 convertible notes) and 18 December 2003 (100,000 convertible notes) to Tennant (2000) Pty Limited be approved.”

Date 11th October 2004

By order of the Board



Pipvide Tang
Company Secretary

Voting Entitlements

The Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be taken to be held by the persons who are registered as members at 3:00pm EST on 24th November 2004. Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

Voting Exclusion

The Company will disregard any votes cast on:

- (a) resolution 3 by the directors of the Company or any of their associates; and
- (b) resolution 4 by Tennant (2000) Pty Limited or any of its associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at Level 2, 60 Carrington Street, Sydney, NSW 2000 or at the Company's Registered Office located at Lot 3 Five Islands Road, PO Box 42, Unanderra, NSW 2526, Australia or by facsimile to Computershare on 61 2 8235 8220 or to the Company on 61 2 4271 6151 at least 48 hours before the meeting.

Explanatory Notes

Item 2: Election of directors

Profiles of the Directors offering themselves for re-election to the office of director are set out below.

Name and qualifications	Experience and special responsibilities
Mr Stephen H Kwan, MPhil, ATI, MBIM Independent Non-Executive Director	Mr Kwan has over 26 years experience in metals and chemicals trading and is a co-founder of the Kee Shing Group in Hong Kong. Member of the Audit and Remuneration Committee. Director since 1991.
Mr Timothy R Allen Independent Non-Executive Director	Mr Allen has extensive engineering and banking experience with qualifications in mining engineering and economics and he is a member of the Securities Institute of Australia. Director since October 2001.
Mr Stephen B Wolfe, MBA Non-Executive Director	Mr. Wolfe has twenty years experience in the banking, resource, logistic, chemicals and raw materials industry. Appointed director on 2 February 2004.

Item 3: Non-executive Directors' remuneration

The directors are seeking shareholder approval to increase the aggregate maximum sum that may be paid or provided to the non-executive directors of Hydromet Corporation Limited for their services to Hydromet Corporation Limited and its controlled entities.

Non-executive directors' base fees are presently \$25,000 per annum and have been at that level since 2001. In addition to these amounts the Company makes contributions to superannuation at the rates prescribed for the superannuation guarantee levy. The Chairperson and committee members receive no extra fees. Directors' fees cover all main board activities and membership of the committee. Non-executive directors may receive additional payments for services required by the Company which are outside normal board and committee activities.

The shareholders have not previously passed a resolution setting maximum director fees. It is not the intention of the Board to increase the base fee of non-executive directors in the current financial year. The approval of the resolution will give the Board the ability over the next few years to increase Non-executive Directors' fees in line with market conditions. It will also allow the Board to possibly appoint additional non-executive directors when needed.

Item 4: Approve the issue of Redeemable Convertible Notes under Listing Rule 7.4

On 14 November 2003 (200,000 convertible notes), 17 December 2003 (700,000 convertible notes) and 18 December 2003 (100,000 convertible notes) the Company issued a total of 1,000,000 convertible notes at a principal value of \$1 each to Tennant (2000) Pty Limited, a company associated with Stephen Wolfe. Interest is payable quarterly in arrear at the coupon rate of 9.25% until the notes are either converted or redeemed. Interest is accumulative in the event that an interest payment is not made. The funds raised from the convertible notes have been used for working capital purposes.

The notes may be converted to ordinary shares in the Company at the option of the note holder under the following terms:

- At the rate of \$0.04 per share at the first conversion date being any day in the first 365 days after the issue of the last note; and
- At the rate of \$0.043 per share at the second conversion date being any day in the second 365 days after the issue of the last note.

If the notes are converted at any day in the first 365 days after the issue of the last note, the Company will issue a total of 25,000,000 ordinary shares to Tennant (2000) Pty Limited which represents 9.25% of the issued capital of the Company.

If the notes are converted at any day in the second 365 days after the issue of the last note, the Company will issue a total of 23,255,814 ordinary shares to Tennant (2000) Pty Limited which represents 8.61% of the issued capital of the Company.

If the subscriber fails to convert the notes by either of the conversion dates, then the Company must on or before the redemption date being 912 days after the issue of the last note, redeem all the notes at the redemption price, being the principal value of \$1 each, plus any accrued interest. Prior to conversion, the notes do not entitle the note holder to any voting rights in the Company. Following conversion, the shares have the same voting rights as any other ordinary shares in the Company.

Shareholders are asked to approve the issue of convertible notes for the purposes of Listing Rule 7.4. The effect of approval under Listing Rule 7.4 is that the issue of the convertible notes will not be counted towards the 15% limit on share issues without approval under Listing Rule 7.1. The subsequent issue of ordinary shares upon the exercise of the convertible notes will not require further shareholder approval as a related party transaction under Listing Rule 10.11 as it falls within Exception 7 of Listing Rule 10.12.