



**CORPORATION LIMITED**

A.B.N. 71 002 802 646

Our Ref.GW2003047:mc

13 March 2003

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

C/- Fax No 1900 999 279

Dear Shareholder,

Re – Results six months ended 31 December 2002.

The Board of Directors of Hydromet wish to advise that group operations over the six months ended December 2002 resulted in a consolidated net loss of \$1.929 million.

This half yearly result, whilst anticipated at the beginning of the financial year, was due to non repetitive causes and the firm decision by the Board to seek long term contracts to replace our numerous and varied short term operations. The phasing in of our first long-term contract with OneSteel has taken longer than anticipated but is now complete and lead-time for other significant projects has resulted in a temporary reduction in revenues over the past six months. At the end of the period the Company had cash of \$2.96 million and no borrowings with the exception of motor vehicle leases.

The environmental pressures from Government and Semi Government bodies both in Australia and overseas for the fast treatment of toxic residues are working strongly in the Company's favour and prospects for the signing of long term contracts with major global customers are excellent.

The many environmental consents required to treat toxic material make exact timing forecasts difficult as this is often outside the control of the Company. It is, however, fair to say that the prospects for the Company from present negotiations and trials in which we are engaged have never been more positive.

We will announce major contracts along with the parties involved as they come to hand.

Yours sincerely



Gregory W Wrightson  
Managing Director

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