



Our Ref: RDP/120151

19 April 2012

The Manager  
Company Announcements Office  
ASX Limited

Level 11  
179 Elizabeth Street  
SYDNEY NSW 2000  
AUSTRALIA  
DX 179 SYDNEY

Telephone: (02) 9394 1144  
Facsimile: (02) 9394 1100  
www.gdlaw.com.au

By Facsimile: 1300 135 638

Dear Sir

**Hydromet Corporation Limited (HMC)**

We attach, by way of service, pursuant to Item 5 of section 633(1) of the *Corporations Act 2001 (Cth) (the Act)*, a copy of the Bidder's Statement of Simon Henry in relation to his off market takeover bid for all the ordinary shares in Hydromet Corporation Limited, ABN 71002 802 646.

We note for the purposes of section 633(4) of the Act, that Simon Henry has set 7:00 pm on 20 April 2012 (AEST) as the time and date for determining those persons to whom information is to be sent under items 6 and 12 of section 633(1) of the Act.

The Bidder's Statement was lodged with the Australian Securities and Investments Commission and sent to Hydromet Corporation Limited earlier today.

Yours faithfully

**GILLIS DELANEY LAWYERS**

A handwritten signature in black ink, appearing to read 'Raymond Perkes', written over the printed name.

**Raymond Perkes**

Special Counsel

Email: rdp@gdlaw.com.au

Direct Line: +61 2 9394 1115

Encl

# BIDDER'S STATEMENT

## ACCEPT

the

OFF-MARKET TAKEOVER OFFER

by

MR SIMON HENRY

to acquire all of your Shares in

HYDROMET CORPORATION LIMITED

ABN 71 002 802 646

For each Hydromet Share you will receive  
**4.8 cents in cash**

The Offer Period will commence on

[•] May 2012

and end on [•] June 2012,

unless extended or withdrawn

Investec Securities (Australia) Pty Limited has been appointed as on-market broker for the Bidder and from 19 April 2012 will stand in the market to purchase Hydromet Shares.

**THIS DOCUMENT IS IMPORTANT  
AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to how to deal with the Offer, please contact your stockbroker, financial adviser or legal adviser immediately.

All questions relating to the Offer should be directed to the Offer Information Line on (03) 9620 0039.

## IMPORTANT INFORMATION

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### Key Dates:

Announcement of the Offer	19 April 2012
Date of Bidder's Statement and lodgement with ASIC	19 April 2012
Offer Period officially commences	[•] May 2012
Offer Period closes (unless extended or withdrawn)*	[•] June 2012

All times and dates stated in this document refer to those in Sydney, New South Wales.

\* This date is indicative only and may be changed as permitted by the Corporations Act.

If you are in any doubt as to how to deal with the Offer, please contact your stockbroker, financial adviser or legal adviser immediately. All questions relating to the Offer should be directed to the Offer Information Line on (03) 9620 0039.

### Bidder's Statement

This document is the Bidder's Statement from Mr Simon Henry (the Bidder) to Hydromet Corporation Limited ABN 71 002 802 646 (Hydromet) and each holder of Hydromet Shares in relation to the off-market bid under Part 6.5 of the Corporations Act for all of the shares in Hydromet.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX) on 19 April 2012. None of ASIC, ASX and their officers takes any responsibility for the contents of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. These are defined in Section 10.

### Offer Information Line

For information regarding how to accept the Offer please read this Bidder's Statement. If you still need assistance please contact the Offer Information Line on (03) 9620 0039. Calls to this number may be recorded.

### Investment Decision

This Bidder's Statement does not take into account the investment objectives, financial situation or particular needs of any person. You should seek independent financial and taxation advice before making a decision as to whether or not accept the Offer.

### Forward Looking Statements

Some of the Statements appearing in this Bidder's Statement may be in the nature of forward looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement. Neither the Bidder, nor any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

Except as may be required by law, the Bidder does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this Bidder's Statement, or to reflect the occurrence of unanticipated events.

### Disclaimer as to Hydromet Information

The information on Hydromet contained in this Bidder's Statement has been prepared by the Bidder using predominantly publicly available information and has not been independently verified by the Bidder. Accordingly, the Bidder does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness or such information.

Further information relating to Hydromet's business may be included in Hydromet's Target Statement which Hydromet must provide to Hydromet Shareholders in response to this Bidder's Statement.

### Notice to Foreign Hydromet Shareholders

This Bidder's Statement and the Offers are subject to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and the Offers do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Bidder's Statement may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of and observe those restrictions.

### Privacy

The Bidder has collected your personal information from the register of Hydromet Shareholders for the purposes of making the Offer. The Corporations Act requires the names and addresses of Hydromet Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to the Bidder's service providers and advisers, and may be required to be disclosed to regulators such as ASIC. The office address of the Bidder is Level 7, AMI House, 63 Albert Street, Auckland 1010, New Zealand.

**SIMON HENRY**

**Office Address:** Level 7, AMI House, 63 Albert Street  
Auckland 1010, New Zealand

**Postal Address:** P O Box 3983, Shortland Street  
Auckland 1140, New Zealand

**Email:** simonhenry.nz@gmail.com

19 April 2012

Dear Hydromet Shareholder,

I am pleased to make this Offer to acquire all your Shares in Hydromet Corporation Limited at a price of 4.8 cents per Share, payable in cash.

The Offer Price represents a premium of 6.7% over the closing price of \$0.045 per Hydromet Share on 18 April 2012, being the day immediately prior to the announcement of the Offer.

Further, the Offer represents a premium of:

- 9.6% to Hydromet's most recently reported net tangible assets of 4.38 cents per Share<sup>1</sup>;
- 14.0% to VWAP of Hydromet Shares in the three months prior to me commencing on-market acquisitions of Hydromet Shares in September 2011; and
- 26.3% to the issue price for Shares of 3.8 cents under Hydromet's share purchase plan price of January 2012.

I have been buying Shares on-market since September 2011 and such trading has represented over 90% of all Shares traded in Hydromet. In the absence of such activity, it is likely that there would be a substantial reduction in the liquidity in Hydromet's Shares.

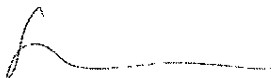
The only condition to the Offer is that no Prescribed Occurrences occur prior to the close of the Offer. There is no minimum acceptance condition.

Please read this document carefully. The Offer is open for your acceptance until 7.00pm (Sydney time) on [•] June 2012, unless extended. If you wish to accept the Offer, complete and return the enclosed Acceptance Form, or instruct your broker to initiate acceptance of the Offer through CHESSE.

I encourage you to read this document, seek your own personal professional assistance and ACCEPT this Offer for your Hydromet Shares.

If you have any queries about this Offer, please call the Offer Information Line on (03) 9620 0039 or your stockbroker or other professional adviser.

Yours sincerely



Mr Simon Henry

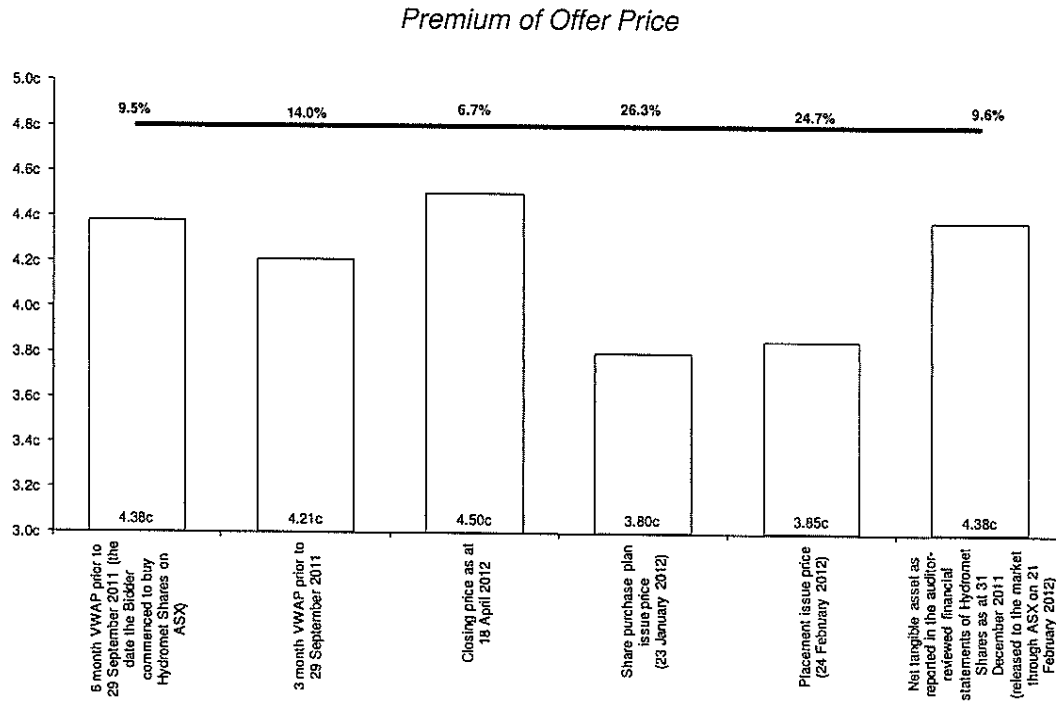
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<sup>1</sup> As reported in auditor-reviewed financial statements of Hydromet as at 31 December 2011 announced to ASX on 21 February 2012.

## Reasons to ACCEPT the Offer

### 1. The Offer Price is at a premium to recent trading values in Hydromet Shares

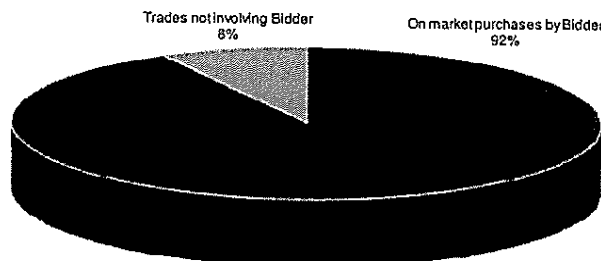
Depending on the comparative metric, the Offer Price represents a premium to relevant price points in Hydromet's Share trading history. An illustration of this is set out below:



The Offer Price is at a significant premium to the price at which Hydromet issued Shares under the share purchase plan of 3.80 cents per Share (completed in January 2012), and the placement of 15% of share capital to Sell & Parker Pty Limited of 3.85 cents per Share (completed in February 2012).

### 2. Liquidity in Hydromet Shares may be substantially reduced in the absence of the Bidder's activity

The Bidder commenced buying Hydromet Shares on 29 September 2011 and has actively been buying on-market since that date. Based on trading data, on-market purchases by the Bidder represent in excess of 90% of all Hydromet Shares traded on-market over this period. In the absence of such activity, the liquidity in Hydromet Shares may be substantially lower, with the potential that in the absence of the Bidder as an active buyer, there may be downward pressure on the price at which Hydromet Shares trade.



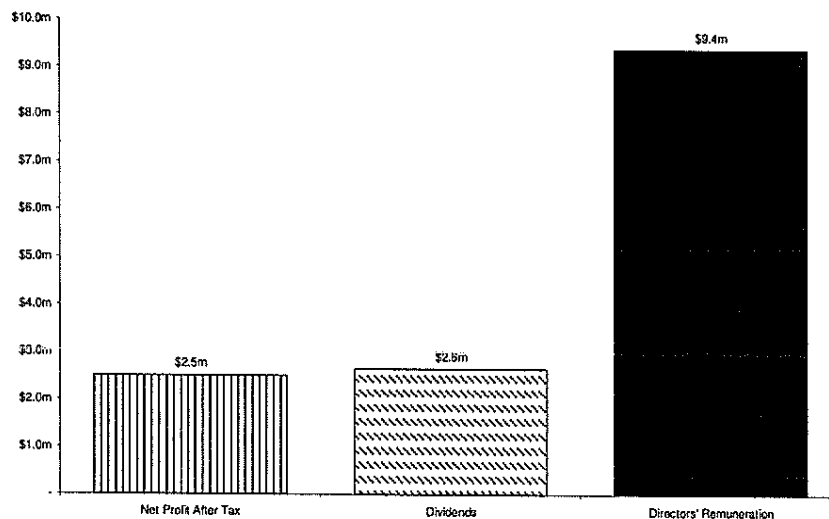
### ***3. Despite strong revenue growth, Hydromet's profit and dividend history has been volatile while total remuneration to Hydromet Directors has grown***

Between the financial years ended 30 June 2001 and 30 June 2011 (inclusive), based on Hydromet's audited financial statements, Hydromet's total reported revenue from ordinary activities was **\$249.5 million**, with a cumulative annual growth rate of 27% per annum. Notwithstanding this growth, over this same period, based on Hydromet's audited financial statements:

- Cumulative net profit after tax was **\$2.5 million**, with five of the past 11 years reporting a net loss;
- Cumulative dividends paid to Hydromet Shareholders was **\$2.6 million**, with dividends paid in only five of the past 11 years; and
- Cumulative total remuneration received by Hydromet's Directors was **\$9.4 million**, with a cumulative annual growth rate of over 11%.

It may be noted that three of the current Directors of Hydromet have served on the board for that entire 11 year period.

*Cumulative Net Profit After Tax, Dividends and Directors' Remuneration for the financial years ended 30 June 2001 to 30 June 2011 (inclusive)*



Further, Hydromet does not meet some of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council, including:

- Recommendation 2.2: The chair should be an independent director. Dr Lakshman Jayaweera is an Executive Chairman and is not an independent director; and
- Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual. Executive Chairman Dr Lakshman Jayaweera is also Managing Director (since 1 January 2012).

### ***4. The Offer is payable all cash, with limited conditionality***

The conditions to the Offer are limited to Prescribed Occurrences only (as set out in Section 9.10). There is no minimum acceptance condition. The Offer is an all cash offer, allowing Hydromet Shareholders to exit their investment with no brokerage. If you decide to sell your Shares on-market and the Bidder buys these Shares, or your broker to accept this Offer on your behalf, you may incur brokerage costs and GST on such transactions.

## 1. SUMMARY AND KEY TERMS OF THE OFFER

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**The Bidder** Mr Simon Henry (the **Bidder**) is a private investor and company director who resides in Auckland, New Zealand. For more information about Mr Henry, please see Section 3.

**The Offer** The Bidder is offering to acquire ALL of your Hydromet Shares, on the terms and subject to the conditions set out in this Bidder's Statement. The Offer is made in respect of all Hydromet Shares that exist on the Record Date and extends to any Shares which may be issued due to the conversion of existing convertible notes.

You may only accept the Offer in respect of all of the Hydromet Shares you hold.

The Offer is subject only to the Prescribed Occurrences condition set out in Section 9.10.

**Offer Price** You are offered \$0.048 in cash for each of your Hydromet Shares.

If you continue to hold Shares on the record date for any distribution then you will receive that distribution from Hydromet. The amount of consideration you will receive will be reduced by the amount or value of any Rights attaching to Hydromet Shares on or after the Announcement Date that the Bidder does not receive, including any dividend declared by Hydromet on or after the Announcement Date.

For more information, please see Section 9.1.

**Offer opens** The Offer is open from [•] May 2012.

**Offer closes** Unless withdrawn or extended in accordance with the Corporations Act, the Offer is open until 7.00pm (Sydney time) on [•] June 2012.

**How to accept the Offer** To accept this Offer:

- **Issuer sponsored shareholders:** If you hold your Shares in an issuer sponsored sub register (your SRN starts with an "I"), complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to Link Market Services Limited at the address indicated on the form before the Offer closes. A reply paid return addressed envelope is included with this Bidder's Statement.
- **CHESSE sponsored shareholders:** If you hold your Shares in a CHESSE Holding (your HIN starts with an "X"), you may accept the Offer by either:
  - completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to Link Market Services Limited at the address indicated on the form before the Offer closes. A reply paid return addressed envelope is included with this Bidder's Statement; or
  - instructing your Controlling Participant (usually your broker) to accept the Offer on your behalf, before the Offer closes.

**Payment date** If you validly accept this Offer and it becomes unconditional, you will in the usual case be sent the payment for your Hydromet Shares under the

Offer on or before the earlier of:

- the date that is one month after the later of the date on which you accept this Offer or it becomes, or is declared, unconditional; and
- the date that is 21 days after the end of the Offer Period.

Should you not accept the Offer and the Bidder proceeds to compulsorily acquire outstanding Hydromet Shares, then you will only receive your consideration in accordance with the timing of the compulsory acquisition provisions of the Corporations Act. If you accept this Offer and the Offer has become unconditional, you will be sent the Offer Consideration sooner than if your Hydromet Shares are compulsorily acquired.

<b>Conditions to the Offer</b>	The Offer is subject only to the no Prescribed Occurrences condition set out in Section 9.10. There are no other conditions to the Offer and there is no minimum acceptance condition.
<b>Fees</b>	No Australian stamp duty and no brokerage is payable by Hydromet Shareholders on accepting the Offer. You may incur brokerage costs and GST on those costs if you instruct your broker to accept this Offer on your behalf. In the event that you sell your Hydromet Shares on-market, you may incur brokerage costs associated with such a transaction.
<b>Tax Considerations</b>	<p>You may make a capital gain on the transfer of Hydromet Shares acquired on or after 20 September 1985, to the extent that the capital proceeds from the disposal of the Shares are more than the cost base of those Shares. Conversely, you may make a capital loss to the extent that the capital proceeds are less than the reduced cost base of those Shares.</p> <p>For further details on tax considerations, please refer to Section 7. You should seek your own personal professional tax advice in relation to the Offer.</p>
<b>The Bidder's existing shareholding in Hydromet</b>	As at the date of this Bidder's Statement, the Bidder has a Relevant Interest in 99,711,939 Hydromet Shares, representing approximately 16.6% of the issued capital of Hydromet.

## 2. FREQUENTLY ASKED QUESTIONS

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*The information in this Section is a summary only. You should read it in conjunction with the remainder of the Bidder's Statement.*

### **What is this Bidder's Statement?**

This Bidder's Statement sets out the terms of the Offer for your Hydromet Shares and information relevant to your decision whether or not to accept the Offer.

This Bidder's Statement is an important document. If you are in any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.

For further information, please call the Offer Information Line on (03) 9620 0039.

### **What is the Offer?**

The Bidder is offering to buy all of your Hydromet Shares by way of an off-market takeover offer at the Offer Price.

### **What choices do I have as a Hydromet Shareholder?**

As a Hydromet Shareholder, you have the following choices in respect of your Shares:

- Accept the Offer;
- Sell your Shares on the ASX (unless you have previously accepted the Offer for your Shares); or
- Do nothing. If you do nothing and the Bidder nonetheless acquires sufficient Hydromet Shares to proceed to compulsory acquisition (and the Condition to the Offer is satisfied or waived by the Bidder), then the Bidder may elect to compulsorily acquire your Shares.

### **What will happen if I accept the Offer?**

If you accept the Offer, and none of the Prescribed Occurrences set out Section 9.10 occur, you will be paid \$0.048 in cash for each of your Hydromet Shares.

Once you accept the Offer (even while it remains conditional), you will not be permitted to sell your Hydromet Shares on ASX, accept any other offer or otherwise deal with your Hydromet Shares, subject to you exercising any withdrawal rights which might arise.

### **Are there any conditions to the Offer?**

Yes. The Offer is only subject to none of the Prescribed Occurrences occurring. The Prescribed Occurrences are set out in Section 9.10. There are no other conditions to the Offer and there is no minimum acceptance condition to the Offer. For more information, see Section 9.10.

### **How do I accept the Offer?**

To accept this Offer:

- **Issuer sponsored shareholders:** If you hold your Shares in an issuer sponsored sub register (your SRN starts with an "I"), complete and sign the Acceptance Form enclosed

with this Bidder's Statement and return it to Link Market Services Limited at the address indicated on the form before the Offer closes. A reply paid return addressed envelope is included with this Bidder's Statement.

- **CHESS sponsored shareholders:** if you hold your Shares in a CHESS holding (your HIN starts with an "X"), you may accept the Offer by either:
  - completing and signing the Acceptance Form enclosed with this booklet and returning it to Link Market Services Limited at the address indicated on the form before the Offer closes. A reply paid return addressed envelope is included with this Bidder's Statement; or
  - instructing your Controlling Participant (usually your broker) to accept the Offer on your behalf, before the Offer closes.

You should read Section 9.3 for full details on how to accept the Offer.

For further information, please call the Offer Information Line on (03) 9620 0039.

If your query relates to the number of Hydromet Shares you hold, your SRN or HIN details or any other information pertaining to your shareholding details, please contact Hydromet's registry:

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney, NSW, 2000  
T: 1300 737 760  
F: 1300 653 459

#### **If I accept the Offer, when will I be paid?**

If you validly accept this Offer and it becomes unconditional, you will in the usual case be sent the payment for your Hydromet Shares under the Offer on or before the earlier of:

- the date that is one month after the later of the date on which you accept this Offer or it becomes, or is declared, unconditional; and
- the date that is 21 days after the end of the Offer Period.

Should you not accept the Offer and the Bidder proceeds to compulsorily acquire outstanding Hydromet Shares, then you will only receive your consideration in accordance with the timing of the compulsory acquisition provisions of the Corporations Act. You will be sent the Offer Consideration sooner if you accept this Offer and it has become unconditional.

#### **Can I accept the Offer for part of my holding?**

No, you can only accept the Offer for all of your holding. Your acceptance will be treated as being for all your Hydromet Shares plus any additional Hydromet Shares registered as held by you at the date your acceptance is processed.

#### **What happens if I do not accept the Offer?**

Subject to what is stated below, you will remain the holder of your Hydromet Shares if you do not accept the Offer.

If the Bidder becomes entitled to do so, the Bidder intends to proceed to compulsorily acquire your Hydromet Shares (see Section 5.3 for details). You will receive consideration for your Hydromet Shares sooner if you accept the Offer.

### **Can I sell my Hydromet Shares on the ASX?**

Yes, but only prior to acceptance of the Offer. Once you accept the Offer (even while it remains conditional), you will not be permitted to sell your Hydromet Shares on the ASX, accept any other offer or otherwise deal with your Hydromet Shares, subject to you exercising any withdrawal rights. It should be noted that the Bidder will be actively buying Hydromet Shares on-market. You may incur brokerage costs and GST on those costs if you instruct your broker to accept this Offer on your behalf.

### **Can I withdraw my acceptance?**

Once you accept the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a right will arise if, after you have accepted the Offer and the Offer remains conditional, the Bidder varies the Offer in a way that postpones, for more than 1 month, the time when the Bidder has to meet his obligations under the Offer. If this occurs, a notice will be sent you at the relevant time that explains your rights to withdraw your acceptance of the Offer.

### **What if I accept the Offer and the Bidder increases the Offer Price?**

In accordance with the Corporations Act, if the Bidder increases the Offer Price, you will be paid the higher price irrespective of when you accepted the Offer. If you have already received payment in respect of the Offer, you will be paid the difference between the amount you have already received and the higher price.

However, if you sell your Shares on-market on the ASX (including an on-market sale to the Bidder) instead of accepting the Offer, you will not receive the benefit of any subsequent increase in the Offer Price.

### **When does the Offer close?**

The Offer is currently scheduled to close at 7.00pm (Sydney time) on [•] June 2012, unless extended or withdrawn in accordance with the Corporations Act.

### **Can the Bidder extend the Offer Period?**

Yes, the Offer can be extended by the Bidder, or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

### **What happens if the Hydromet Board declares a dividend after the Announcement Date?**

Under the terms of the Offer, the amount of consideration you receive directly from the Bidder will be reduced by the amount or value of any Rights attaching to the Shares on or after the Announcement Date, which the Bidder does not receive, including any dividend declared by Hydromet after the Announcement Date.

### **Will I need to pay brokerage fees or stamp duty if I accept the Offer?**

You will not pay any stamp duty on accepting the Offer using the acceptance form enclosed with the Bidder's Statement.

If your Hydromet Shares are held on the issuer sponsored register and you deliver the completed form directly to the Share Registrar in accordance with Section 9.3(d), you will not incur any brokerage connected with you accepting the Offer.

If you decide to sell your Shares on-market and the Bidder buys these Shares, or your broker to accept this Offer on your behalf, you may incur brokerage costs and GST on such transactions.

However, if your Shares are held on a CHESS sub-register or you hold your Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker), or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.

By making the Offer, the Bidder is not making any recommendation or giving any advice as to whether (or how) you should sell your Hydromet Shares. Before you decide what to do with your Hydromet Shares you should seek your own professional advice (including taxation advice).

### **What are the tax consequences if I accept the Offer?**

The tax implications of accepting the Offer will vary for each individual investor.

Please see Section 7 for a general discussion of the tax consequences of the Offer. Additionally, you should consult your financial, tax or other professional adviser on the tax implications of accepting the Offer.

### **What should I do next?**

- Step 1:** Carefully read the entire Bidder's Statement and consider the information provided.
- Step 2:** Read the Target's Statement to be provided by Hydromet.
- Step 3:** If you need advice, consult your stock broker or your legal, financial or other professional adviser.
- Step 4:** If you wish to accept the Offer follow the instructions in Section 9.3. Should you have any further queries in relation to how to accept the Offer please contact the Offer Information Line on (03) 9620 0039. Please note calls to this service may be recorded.

### 3. INFORMATION ON THE BIDDER

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#### 3.1. Information on Mr Simon Henry

The Bidder is Mr Simon Henry in his personal capacity. Mr Henry is an individual who has a substantial shareholding in Hydromet.

Mr Henry was born and educated in Christchurch, New Zealand, and is 46 years old. Mr Henry is a professional investor and company director with interests in New Zealand, Australia and China. Mr Henry's business interests include:

- **Rapaki Property Group Limited:** Mr Henry is the sole director of this company. Rapaki Property Group Limited was formed in 1997, and is the parent company of a diversified property portfolio, consisting of commercial, industrial and residential development sites around New Zealand. Amongst its key milestones is the construction of the largest commercial building in the South Island of New Zealand, completed in 2007.
- **Chempro Logistics Limited:** Mr Henry is the sole director of this company. Chempro Logistics Limited was formed in 2008. Chempro undertook a management buyout of selected operations of Orica / ICI, and is one of New Zealand's largest specialist chemical and logistics companies. Chempro has recently moved into chemical trading, and has established a procurement office in China. In 2010, the company took over Orica's swimming pool chemical business, supplying chemicals throughout New Zealand and the Pacific Islands. The business is in the process of installing a used lead acid battery recycling plant at its Wellington facility.

#### 3.2. Bidder's existing interest

The Bidder currently owns 99,711,939 Shares and has a voting power of approximately 16.6% in Hydromet.

## **4. INFORMATION ON HYDROMET AND HYDROMET SECURITIES**

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### **4.1. Disclaimer**

The information in this Section concerning Hydromet has been prepared by the Bidder based on publicly available information. Not all of this information has been independently verified. Accordingly, the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information on Hydromet should not be considered comprehensive. Further information relating to Hydromet may be included in the Hydromet Target Statement, which will be sent to you by Hydromet.

### **4.2. Publicly available information**

Hydromet is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. For information concerning the financial position and affairs of Hydromet you should refer to the information that has been disclosed by Hydromet in accordance with these obligations, which can be obtained via Hydromet's website at: [www.hydromet.com.au](http://www.hydromet.com.au).

Hydromet's annual report for the year ended 30 June 2011 was lodged with ASIC and given to ASX on 29 September 2011. Hydromet's auditor-reviewed financial statements for the half-year ended 31 December 2011 were given to ASX on 21 February 2012.

A description of each announcement made by Hydromet since the announcement of its last Annual Report on 29 September 2011 is set out at Annexure B.

### **4.3. Capital Structure of Hydromet**

According to publicly available documents as at the date of this Bidder's Statement, the total number of securities in Hydromet on issue consists of 599,061,683 Hydromet Shares (as declared in the Appendix 3B Notice dated 29 February 2012).

As at 31 December 2011, Hydromet had outstanding convertible notes of \$91,000. It is unclear from Hydromet's ASX announcements if these are still outstanding as at the date of this Bidder's Statement. According to Hydromet's annual report for the year ended 30 June 2011, convertible notes are convertible at the option of the holders, to Hydromet Shares at a price of 8 cents per Share 12 months after the issue date and before their maturity. In the event these convertible notes were converted into Hydromet Shares, there would be approximately 1,137,500 additional Hydromet Shares on issue. The Offer is made in respect of all Hydromet Shares that exist on the Record Date and extends to any Shares which may be issued due to the conversion of existing convertible notes.

### **4.4. Substantial holders of Hydromet**

According to publicly available documents as at the date of this Bidder's Statement, Hydromet Shareholders holding over a 5% interest in Hydromet Shares are:

<i>Shareholder</i>	<i>Number of Shares</i>	<i>% of Hydromet Shares</i>
Mr Simon Henry (Bidder)	99,711,939	16.6%
Sell & Parker Pty Ltd	76,000,000	12.7%
Jiangsu New Chunxing Resource Recycling Co. Ltd	49,924,000	8.3%
Bradley Polaris Pty Limited <Bradley S/F A/C>	30,025,201	5.0%

#### **4.5. Bidder relevant interest in Hydromet securities**

Immediately before this Bidder's Statement was lodged with ASIC, the Bidder personally had a relevant interest in 99,711,939 Hydromet Shares, representing 16.6% of the total Hydromet Shares.

As at [•], being the date immediately before the Offer was prepared for despatch by the Bidder, the Bidder personally had a relevant interest in [•] Hydromet Shares, representing [•] % of the total Hydromet Shares.

#### **4.6. Bidder voting power in Hydromet**

Immediately before this Bidder's Statement was lodged with ASIC, the Bidder had voting power of 16.6% in Hydromet. As at [•], being the date immediately before the Offer was prepared for despatch by the Bidder, the Bidder had voting power of [•] % in Hydromet.

#### **4.7. Acquisition by the Bidder and his associates of Hydromet Shares during previous four months**

During the period beginning four months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before the date of the Offer, the Bidder acquired 79,913,935 Shares through on-market purchases on the ASX for a total consideration (excluding brokerage fees) of \$3,630,038. An additional 394,736 Shares were acquired for a total of \$15,000 through the share purchase plan announced by Hydromet in January 2012.

The highest price paid by the Bidder, for any Hydromet Shares during the four month period preceding the date of this Bidder's Statement is \$0.047. A schedule providing summary details of the on-market purchases of Hydromet Shares by the Bidder is attached as Annexure B to this Bidder's Statement. There were no other acquisitions by the Bidder or his associates of Hydromet Shares during this period.

#### **4.8. Inducing benefits given by the Bidder during previous four months**

Other than as disclosed above, during the period beginning four months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before the date of the Offer, neither the Bidder nor any associate of the Bidder, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offer and was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Hydromet Shares.

#### **4.9. No escalation agreements**

Neither the Bidder nor any associate of the Bidder has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

## **5. INTENTIONS OF THE BIDDER**

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### **5.1. Overview**

This Section sets out the intentions of the Bidder on the basis of the facts and information concerning Hydromet which are known to the Bidder and the existing circumstances affecting the business of Hydromet, in relation to the following:

- the continuation of the business of Hydromet;
- any major changes to be made to the business of Hydromet, including any redeployment of the fixed assets of Hydromet; and
- the future employment of the present employees of Hydromet.

The Bidder's intentions are based on the information known and the circumstances that exist at the date of this Bidder's Statement. The Bidder will only reach final decisions in light of material facts and circumstances at the relevant time. Accordingly, the statements set out in this Section are statements of current intentions only which may vary as new information becomes available or circumstances change.

### **5.2. Review**

This Offer by the Bidder is based on the information that has been publicly released by Hydromet in relation to its activities and plans for the future up to the date of this Offer.

The Bidder has not undertaken formal due diligence in relation to Hydromet's businesses, and does not currently have knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, taxation and financial implications of the Bidder's current intentions. Consequently, final decisions on such matters have not been made.

Following the close of the Offer, and to the extent that information is made available to the Bidder, the Bidder will conduct a review of the operations, assets, structure, board composition and remuneration, and employees of Hydromet. Based on the information available to the Bidder as at the date of this Offer, the Bidder intends to identify areas for improvement and subsequently establish and implement plans to achieve these improvements. As part of this, the Bidder will consider Hydromet's operating activities, capital strategy and medium and long term strategic plan. Final decisions will only be reached after that review and in light of all material facts and circumstances. The statements in this Section should be read in this context.

### **5.3. Intentions if the Bidder becomes entitled to 90% or more of Hydromet Shares**

This Section sets out the current intentions of the Bidder upon acquisition of 90% or more of the Hydromet Shares and receipt of acceptances in respect of more than 75% of the Hydromet Shares subject to the Offer and is consequently entitled to proceed to compulsory acquisition of outstanding Hydromet Shares.

#### **(a) (a) Compulsory acquisition**

The Bidder intends to proceed with the compulsory acquisition of any Hydromet Shares not acquired under the Offer and which he is entitled to compulsorily acquire under the Corporations Act.

(b) **Directors**

Subject to the Corporations Act and Hydromet's constitution, the Bidder may replace some or all of the members of Hydromet's Board with nominees of the Bidder. The Bidder has not made any decision about who would be nominated for appointment to the Hydromet Board in this case.

(c) **Review of operations and assets**

As noted above, after the end of the Offer Period, the Bidder intends to conduct an immediate review of Hydromet's operations, assets, structure and employees. The key objective of this review will be to ascertain the extent of any changes required to improve the performance of Hydromet and to achieve a strategic fit with the business objectives of the Bidder and his associates.

(d) **ASX Listing**

After completion of the compulsory acquisition process, the Bidder will seek to have Hydromet removed from the official list of the ASX. The Bidder may also seek to change the status of Hydromet from that of a public company limited by shares to a proprietary company limited by shares.

(e) **Options under consideration**

As part of the review process set out in Section 5.2, the Bidder intends to identify those profitable and non-profitable operations within Hydromet's business units, and areas where synergies with other entities controlled by the Bidder may be obtained. This review may result in a reorganisation of Hydromet's corporate structure in order to better align Hydromet's business and operations with those companies controlled by the Bidder. However no final decisions will be made until the review process is completed. The outcome of that process is currently uncertain.

(f) **Employees**

Subject to the outcome of the review set out above, it is the Bidder's intention to review the roles and responsibilities of Hydromet's present employees, retaining those he believes are consistent with the outcome of the strategic review. The Bidder believes that Hydromet's employees have highly valuable skills and experience and does not anticipate any material change to Hydromet's staff. In the event that through the review process, any Hydromet employees become redundant to ongoing operations, such employees (if any) who are made redundant will receive payments and other benefits in accordance with their contractual and other legal entitlements.

**5.4. Intentions if the Bidder becomes entitled to over 50%, but less than 90% of Hydromet Shares**

This Section sets out the Bidder's intentions if, by virtue of acceptances of the Offer, the Bidder were to acquire over 50% of Hydromet, but without becoming entitled to compulsorily acquire the outstanding Hydromet Shares. In such a circumstance, Hydromet Shareholders who do not accept the Offer may remain as minority shareholders in Hydromet. Possible consequences of this include that liquidity of Hydromet Shares may be lower than at present; there may be a lower demand, and thus a lower price, for Hydromet Shares.

(a) **Acquisition of Hydromet Shares**

If the Bidder does not acquire a relevant interest in 90% of the Hydromet Shares pursuant to the Offer, and the Bidder does not acquire 75% of the Hydromet Shares subject to the Offer, but the Bidder does subsequently become entitled to compulsorily acquire Hydromet Shares under Part 6A.2 of the Corporations Act, the Bidder intends to exercise his right to do so. The Bidder may acquire further Hydromet Shares to the extent permitted by the Corporations Act.

(b) **Operations and assets**

If, following the Closing Date, Hydromet becomes a controlled entity of the Bidder, but not wholly owned by the Bidder, it is the present intention of the Bidder to work with the Board to conduct a review of the business, including a review of operations and assets as outlined in Section 5.2 above.

(c) **Directors**

Where Hydromet becomes a controlled entity of the Bidder, but not wholly owned by the Bidder, the Bidder intends to assess the composition and remuneration of the board. This may include the removal of current directors and the appointment of nominee directors (including the Bidder) on the Hydromet Board so that the number of the Bidder's nominee directors will be approximately proportionate to the Bidder's holding of Hydromet Shares. The Bidder intends that the Hydromet Board will have at least one independent director while Hydromet remains listed on the ASX.

(d) **ASX Listing**

If Hydromet becomes a controlled entity of the Bidder, but not wholly owned by the Bidder, the Bidder intends to retain the listing of Hydromet on the ASX, subject to ongoing requirements under the ASX Listing Rules to maintain a listing (including there being sufficient spread of Hydromet Shareholders). Under the ASX Listing Rules a listed company must maintain a spread of holdings which, in the ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities. The ASX may suspend and eventually delist a company that does not meet its spread requirements. It is possible that depending upon the level of acceptance under the Offer, the ASX may seek to de-list Hydromet if sufficient spread is not present. Should the ASX seek to do so, the Bidder does not currently intend to oppose such a delisting.

(e) **Dividends**

It is the Bidder's intention that as part of the general review, the Bidder will review Hydromet's existing dividend policy. In conducting this review, the Bidder will consider the appropriate balance between potential future distributions and Hydromet's business and capital investments strategies in the future.

(f) **Employees**

The Bidder believes that Hydromet's employees have highly valuable skills and experience and does not anticipate any material change to Hydromet's staff. However, in the event that through a review process, any Hydromet employee becomes redundant to ongoing operations, such employees (if any) who are made redundant will receive payments and other benefits in accordance with their contractual and other legal entitlements.

## 5.5. Intentions if the Bidder becomes entitled to 50% or less of Hydromet Shares

This Section sets out the Bidder's intentions if, by virtue of acceptances of the Offer, the Bidder were to acquire 50% or less of Hydromet Shares. In such circumstances, the Bidder intends, to the extent possible, to evaluate performance, profitability and prospects of Hydromet in light of the information available to the Bidder. If at the end of the Offer Period, the Bidder holds 50% or less of Hydromet, the Bidder's ability to conduct the review described in Section 5.2 and fulfil the intentions described in this Section 5.5 may be limited, and in that event the Bidder will pursue such intentions to the extent it is reasonably possible to do so.

### (a) Acquisition of Hydromet Shares

The Bidder may acquire further Hydromet Shares to the extent permitted by the Corporations Act.

### (b) Operations and assets

The Bidder will request access to and work with the Hydromet Board to conduct a review of the business, including a review of the operations and assets as outlined in Section 5.2.

### (c) Directors

The Bidder intends to seek access to Hydromet's management and Board members and establish a dialogue in relation to conducting a review as outlined in Section 5.2 above. As part of conducting a general review of the business, the Bidder will consider the Hydromet Board composition and remuneration. After consulting with management and Board members, the Bidder will consider the most appropriate steps going forward, including whether appointing nominee directors to the Board would be appropriate. If the Bidder considers it to be appropriate, the Bidder will consult with the Board to select suitable nominees (which may include the Bidder) and will attempt to procure the appointment of such nominees (including himself) to the Hydromet Board.

### (d) ASX Listing

The Bidder intends to retain the listing of Hydromet on the ASX, subject to ongoing requirements under the ASX Listing Rules to maintain a listing (including there being sufficient spread of Hydromet Shareholders). Under the ASX Listing Rules a listed company must maintain a spread of holdings which, in the ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities. The ASX may suspend and eventually delist a company that does not meet its spread requirements. It is possible that depending upon the level of acceptance under the Offer, the ASX may seek to de-list Hydromet if sufficient spread is not present. Should the ASX seek to do so, the Bidder does not currently intend to oppose such a delisting.

### (e) Employees

The Bidder believes that Hydromet's employees have highly valuable skills and experience and does not anticipate any material change to Hydromet's staff.

## 5.6. 5.6 Intentions generally

Except for the changes and intentions set out in this Section 5, the Bidder intends, based on the information presently known to him:

- (a) to continue the business of Hydromet;

- (b) not to make any major changes to the business of Hydromet or the deployment of Hydromet's assets; and
- (c) to continue the employment of Hydromet's employees.

**5.7. Limitations on intentions**

The ability of the Bidder to implement any of the intentions set out in this Section 5 will be subject to:

- (a) the law, in particular in relation to related party transactions and conflicts of interest;
- (a) the legal obligation of the directors of Hydromet to act for proper purposes and in the best interests of Hydromet Shareholders as a whole;
- (b) the directors of Hydromet acting at all times in accordance with their fiduciary duties and that all requisite shareholder approvals and other legal requirements are complied with in pursuing any of the intentions of any particular objective;
- (c) the outcome of the proposed review of Hydromet referred to in Section 5.2; and
- (d) the rights of holders of Hydromet Shares which are subject to compulsory acquisition.

## **6. SOURCES OF CASH CONSIDERATION**

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### **6.1. Amount payable**

The Offer Consideration will be satisfied wholly in cash. If the Bidder acquires all of the Hydromet Shares currently on issue (excluding those 99,711,939 Shares already owned by the Bidder), the total consideration required to be paid to Hydromet Shareholders is \$23,968,932.

According to Hydromet's Annual Report for the financial year ended 30 June 2011 and subsequent notices to ASX, there are no options on issue and no entitlements to Hydromet Shares granted under employee long-term incentive plans.

As at 31 December 2011 Hydromet had outstanding convertible notes of \$91,000. It is unclear from Hydromet's ASX announcement, whether these are still outstanding. According to Hydromet's annual report for the year ended 30 June 2011, convertible notes are convertible at the option of the holders, to Hydromet Shares at a price of 8 cents per share 12 months after the issue date and before their maturity. In the event these convertible notes are converted into Hydromet Shares, there would be approximately 1,137,500 additional Hydromet Shares on issue, resulting in additional potential consideration of \$54,600.

### **6.2. Source of funds**

The Bidder has unrestricted funding available to enable the Bidder to pay for any Hydromet Shares to be acquired by the Bidder under the Offer, as well as any costs and expenses incidental to the making of the Offer.

On the basis of the arrangements described in this Section 6, the Bidder is of the opinion that he has a reasonable basis for holding the view that he will be able to pay the consideration offered under the Offer.

The Offer is not subject to any financing condition.

### **6.3. Particulars of Cash Funding**

As at the date of this Bidder's Statement, the Bidder has cash funding available for the sole purpose of funding the Offer and making payment of consideration to accepting Shareholders as follows:

- NZ\$18,624,000 cash on deposit with ASB Bank Limited in New Zealand;
- NZ\$2,000,000 in secured line of credit with The National Bank of New Zealand in New Zealand, which may be drawn down without further conditions being satisfied; and
- A\$7,833,584 cash on account with Pershing Securities Australia Pty Ltd in Australia.

Based on a NZ\$ / A\$ exchange rate of 1.2655 as at 4.10pm on 18 April 2011, these aggregate funds had a total value of A\$24,130,700. These funds are immediately available to the Bidder to allow the Bidder to make the payment of consideration to accepting Shareholders.

## **7. TAXATION CONSIDERATIONS**

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### **7.1. Tax consequences generally**

Hydromet Shareholders who are not resident in Australia for tax purposes should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, when accepting the Offer.

The following is a general description of the Australian income and capital gains tax consequences of the acceptance of the Offer for Australian resident Hydromet Shareholders. The precise tax implications of accepting the Offer must only be determined by considering each Shareholder's particular financial and taxation position. Further tax laws are complex and continually change and changes can be retrospective.

The following description is based upon Australian taxation law and administrative practice in effect at the date of this Bidder's Statement. The forgoing does not replace specific advice each shareholder should obtain from their own professional financial and or taxation adviser.

### **7.2. Australian resident shareholders**

The comments set out below are relevant to Hydromet Shareholders resident in Australia for tax purposes who hold their Shares as capital assets for the purpose of investment. These comments relate only to the capital gains tax implications of the Offer.

Acceptance of the Offer will involve, if the Offer becomes unconditional, the disposal by Hydromet Shareholders of their Shares by way of transfer to the Bidder. This change in the ownership of the Shares will constitute a capital gains tax event for Australian capital gains tax purposes and will occur when the Hydromet Shareholder accepts the Offer.

Hydromet Shareholders who are Australian residents may make a capital gain or capital loss on the transfer of Shares acquired on or after 20 September 1985, depending on whether their capital proceeds from the disposal of the Shares are more than the cost base (or in some cases indexed cost base) of those Shares, or whether the capital proceeds are less than their reduced cost base of those Shares.

The capital proceeds of the capital gains tax event will be the Offer Price per Share received by the Hydromet Shareholder in respect of the disposal of Shares. The cost base of the Shares will generally include their cost of acquisition and any incidental costs of acquisition and disposal that are not tax deductible to the shareholder.

If the Shares were acquired at or before 11.45am on 21 September 1999 and held for at least 12 months before their disposal, a Hydromet Shareholder who is an individual, a complying superannuation entity or the non-corporate beneficiary of a trust may choose to adjust the cost base of the Shares to include indexation by reference to changes in the consumer price index from the calendar quarter in which the Shares were acquired, until the quarter ended 30 September 1999. Hydromet Shareholders who are companies will include that indexation adjustment if their Shares were acquired at or before 11.45am on 21 September 1999 and held for at least 12 months before their disposal. These indexation adjustments are taken into account only for the purpose of calculating the capital gain; they are ignored when calculating the amount of any capital loss.

Individuals, complying superannuation entities or non-corporate beneficiaries of a trust that have held Shares for at least 12 months but do not index the cost base of the Shares should be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Shares by 50% in the case of individuals and trusts who allocate a net capital

gain to non-corporate beneficiaries or by 33% for complying superannuation entities. The 12 month period excludes the day of acquisition and the day of disposal.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is to be included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

### **7.3. Non-resident shareholders**

Hydromet Shareholders who are not resident in Australia for income tax purposes are generally not subject to Australian capital gains tax on the disposal of Shares. However, there are anti-tax avoidance measures that can deny tax benefits to both resident and non-resident shareholders.

Where a non-resident, non-corporate beneficiary of a resident trust is allocated a net capital gain and is assessed for tax on that gain, that beneficiary will be entitled to the discount and claim a credit for the tax paid by the trustee.

### **7.4. Revenue account**

Where the Shares in Hydromet are held by a shareholder on revenue account, a profit on the sale of the Shares will constitute income according to ordinary concepts which is assessable income. Conversely, a loss on sale may be an allowable deduction. Generally, Shares will be treated as being held on revenue account where the intention or purpose of the shareholder in acquiring the Shares was to make a profit or gain and the transaction was entered into in the course of carrying on a business or in carrying out a business operation.

### **7.5. Goods and Service Tax**

No Australian GST should generally be payable on the transfer of Hydromet Shares, with the exception of any GST payable on any brokerage charged by your Australian broker for carrying out your instructions.

### **7.6. Stamp duty**

You should not be liable to pay stamp duty in relation to the transfer of Hydromet Shares pursuant to the Offer.

## **8. OTHER MATERIAL INFORMATION**

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### **8.1. Material contracts**

A number of contracts held by Hydromet may contain provisions entitling the contract counterparty to terminate the contract in the event of a change of control of the relevant Hydromet entity.

The Bidder has not engaged in any discussion with any party with whom Hydromet or a controlled entity of Hydromet has a substantive contract for the provision of goods or services to assess the impact of a change of control of Hydromet on any contract.

### **8.2. Approvals for payment of Offer Consideration**

The Bidder is not aware of any Hydromet Shareholder who requires any approval referred to in Section 9.14 in order to be entitled to be sent any consideration under the Offer.

As far as the Bidder is aware, as at the date of this Bidder's Statement, the persons to whom Section 9.14 will apply are:

- (a) prescribed supporters of the former government of Yugoslavia;
- (b) ministers and senior officials of the government of Zimbabwe;
- (c) persons associated with the former government of Iraq (including senior officials, immediate family member of senior officials, or an entity controlled by any of those persons);
- (d) the Taliban;
- (e) members of the Al-Qaida organisation; and
- (f) a person named in the list maintained pursuant to paragraph 2 of Resolution 1390 of the Security Council of the United Nations.

### **8.3. Modifications to and exemptions from the Corporations Act**

The Bidder has not obtained from ASIC any modifications of, or exemptions from, the Corporations Act in relation to the Offer. However, ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including the Bidder.

### **8.4. Date for determining holders of Hydromet**

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of Section 633(1) is the Record Date.

### **8.5. Consents**

Each of the following parties has given (and before lodgement of this Bidder's Statement has not withdrawn) its written consents to being named in this Bidder's Statement in the form and context in which they are named:

- Investec Securities (Australia) Pty Limited.

- Link Market Services Limited.
- Gillis Delaney Lawyers.

Further none of the parties named in this Section 8.5:

- (a) have authorised or caused this the issue of the Bidder's Statement;
- (b) make, or purports to make, any statement in this Bidder's Statement other than as specified in this Section

To the maximum extent permitted by law, each party named in this Section 8.5 expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of the Bidder's Statement, other than a reference to its name.

This Bidder's Statement includes or is accompanied by statements, which are made in or based on statements made in documents lodged with ASIC. Under the terms of ASIC class order 01/1543, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement.

#### **8.6. On-market acquisitions**

Subject to the Corporations Act, the Bidder and his associates may acquire Hydromet Shares on-market at the Offer Price during normal trading on ASX. If the Bidder or his associates acquires Hydromet Shares on-market at a price higher than the Offer Price during normal trading on ASX, the Offer Price per Hydromet Share will be increased to at least match that price and any Hydromet Shareholders who have accepted the Offer prior to the on-market purchase by the Bidder or any associate (other than those who have sold their Shares on-market), will be entitled to the additional consideration as a result of the increased Offer Price.

The Bidder has instructed Investec Securities (Australia) Pty Limited to stand in the market from 19 April 2012 to acquire all Shares available at the Offer Price.

Hydromet Shareholders who sell their Hydromet Shares on ASX cannot subsequently accept the Offer in respect of Hydromet Shares sold on ASX.

#### **8.7. No other material information**

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information that is known to the Bidder and has not previously been disclosed to the holders of Hydromet Shares.

## **9. THE OFFER TERMS**

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### **9.1. The Offer**

#### *Offer for your Hydromet Shares*

- (a) The Bidder offers to acquire all of your Hydromet Shares on the terms and subject to the conditions set out in this Offer. The Offer is made in respect of all Hydromet Shares that exist on the Record Date and extends to any Shares which may be issued due to the conversion of convertible notes existing on the Record Date.

#### *Offer Consideration*

- (b) The Bidder offers \$0.048 cash for each of your Hydromet Shares.

#### *Offer includes Rights*

- (c) If the Bidder acquires your Hydromet Shares under this Offer, the Bidder is also entitled to any Rights attached to those Hydromet Shares, including all Rights declared, paid or made by Hydromet or which arise or accrue after the Announcement Date.
- (d) The amount of consideration you receive directly from the Bidder will be reduced by the amount or value of any Rights attaching to Hydromet Shares on or after the Announcement Date, which the Bidder does not receive, including any dividends declared or paid by Hydromet after the Announcement Date.

#### *Offer Date*

- (e) This Offer is dated [•] May 2012, being the date on which the first of the Offers are sent to the registered Hydromet Shareholders as of the Record Date.

### **9.2. Offer Period**

- (a) Unless withdrawn or extended, this Offer is open during the period that begins on the date of this Offer, being [•] May 2012, and ends at 7.00pm (Sydney time) on [•] June 2012.
- (b) The Bidder reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.(c) If, within the last 7 days of the Offer Period, any of the following occurs, Section 624(2) of the Corporations Act will apply to extend the Offer Period so that it ends 14 days after that event (subject to any further extensions made in accordance with the Corporations Act):
- (i) the Bidder varies the Offer to improve the consideration offered; or
  - (ii) the Bidder's voting power in Hydromet increases to more than 50%.

### **9.3. How to accept this Offer**

#### *Accept for all your Hydromet Shares*

- (a) You can only accept this Offer during the Offer Period and for all your Hydromet Shares. You will be taken to have accepted the Offer for all your Hydromet Shares plus any additional Hydromet Shares held by you at the date your acceptance is processed.

### *CHESS Holdings*

- (b) If your Hydromet Shares are in a CHESS Holding and you are not a broker or a non-broker participant, you may:
  - (i) instruct your Controlling Participant to initiate acceptance of this Offer for your Hydromet Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
  - (ii) authorise the Bidder to instruct your Controlling Participant on your behalf to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, by completing, signing and returning the enclosed Acceptance Form in accordance with the instructions on it. The Acceptance Form must be received at the address stated on it before the end of the Offer Period.
- (c) Your Hydromet Shares are in CHESS Holding if they are sponsored by a broker or other CHESS Participant or if you are a broker or non-broker participant.

### *Broker or Non-Broker Participant*

- (d) If your Hydromet Shares are in a CHESS Holding and you are a broker or non-broker participant, acceptance of this Offer may be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

### *Issuer Sponsored Holdings and Certificated Holdings*

- (e) If you hold Hydromet Shares that are not in a CHESS Holding, to accept this Offer you must:
  - (i) complete and sign the Acceptance Form in accordance with the instructions on it; and
  - (ii) send it, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period at the address stated on the Acceptance Form.

A reply paid return addressed envelope is enclosed for your use.

### **9.4. Bidder's discretion regarding acceptances**

- (a) The Bidder may determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. The Bidder is not required to communicate with you prior to or after making this determination. The determination of the Bidder will be final and binding on all parties.
- (b) Notwithstanding Section 9.4(a), the Bidder may in his sole discretion, at any time and without further communication to you, treat any Acceptance Form it receives to be a valid acceptance in respect of your Hydromet Shares even if any of the requirements for acceptance have not been complied with, but you will not be paid until:
  - (i) an irregularity has been resolved; and

- (ii) the share certificate (if any), or an acceptable indemnity, and another document required to enable the Bidder to be registered as the holder of your Hydromet Shares, have been given to the Bidder.
- (c) Where you have satisfied the requirements for acceptance in respect of only some of your Hydromet Shares, the Bidder may, in his sole discretion, regard the Offer accepted in respect of those Hydromet Shares but not the remainder.

#### 9.5. Foreign Laws

This Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Offer.

#### 9.6. Effect of Acceptance Form

By completing, signing and returning the Acceptance Form in accordance with Section 9.3 you authorise the Bidder and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:

- (a) make it an effective acceptance of this Offer for your Hydromet Shares; and
- (b) enable the transfer of your Hydromet Shares to the Bidder.

#### 9.7. Your agreement

By carrying out the instructions in Section 9.3 on how to accept this Offer:

- (a) you accept this Offer in respect of all of your Hydromet Shares registered as held by you at the date your acceptance is processed despite any difference between that number and the number of Hydromet Shares specified in the Acceptance Form;
- (b) you represent and warrant to the Bidder that all your Hydromet Shares will at the time of your acceptance of this Offer and of transfer to the Bidder be fully paid up, and that the Bidder will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) you transfer, or consent to the transfer of your Hydromet Shares to the Bidder subject to the conditions of the constitution of Hydromet on which they were held immediately before your acceptance of this Offer (and the Bidder agrees to take those Hydromet Shares subject to those conditions);
- (d) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though the Bidder has not yet paid or provided the consideration due to you), you irrevocably appoint the Bidder and any nominee of, the Bidder as your attorney to:
  - (i) attend and vote in respect of your Hydromet Shares at all general meetings of Hydromet;
  - (ii) notifying Hydromet that your address in the records of Hydromet for all purposes including the dispatch of notices of meeting, annual reports and dividends should be altered to an address nominated by the Bidder;

- (iii) execute all forms, notices, documents (including a document appointing a Bidder as a proxy for any of your Hydromet Shares) and resolutions relating to your Hydromet Shares and generally to exercise all powers and rights which you have as the registered holder of your Hydromet Shares; and
- (iv) doing all things incidental and ancillary to any of the above.

This appointment terminates on the registration of the Bidder as registered holder of your Hydromet Shares.

- (e) you agree that in exercising the powers conferred by the power of attorney in Section 9.7(d), the Bidder is entitled to act in the interest of the Bidder;
- (f) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though the Bidder has not yet paid or provided the consideration due to you), you agree not to attend or vote in person at any general meeting of Hydromet or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the Bidder by Section 9.7(d);
- (g) you agree to indemnify the Bidder and each of his agents in respect of any claim or action against them or any loss, damage or liability incurred by them as a result of you not producing your holder identification number or shareholder reference number or in consequence of the transfer of your Hydromet Shares being registered by Hydromet without production of your holder identification number or shareholder reference number;
- (h) you represent and warrant to the Bidder that the making of the Offer to you and your acceptance of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer or to your acceptance of this Offer; and
- (i) you irrevocably authorise and direct Hydromet (on receipt of a written request from the Bidder) to pay to the Bidder or to account the Bidder for all Rights. This is subject to any such Rights received by the Bidder being accounted for by the Bidder to you, in the event that this Offer is withdrawn or avoided.

#### **9.8. Powers of attorney**

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under Sections 9.6 and 9.7.

#### **9.9. Validation of otherwise ineffective acceptances**

- (a) The Bidder may treat the receipt of a signed Acceptance Form as a valid acceptance of this Offer even though he does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance.
- (b) If the Bidder does treat such an Acceptance Form as valid, subject to Section 9.9, the Bidder will not be obliged to give the consideration to you until the Bidder receives all those documents and all of the requirements for acceptance referred to in Section 9.3 and in the Acceptance Form have been met.
- (c) The Bidder may, at any time, in his sole discretion and without further communication to you, determine all questions as to the form of documents, eligibility to accept the Offer and the time of receipt of an acceptance of the Offer.

- (d) The Bidder is not required to communicate with you prior to making this determination. The determination of the Bidder will be final and binding on the parties.

#### 9.10. Conditions to the Offer

Subject to Section 9.11, the completion of the Offer and any contract that results from an acceptance of the Offer, is subject to the fulfilment of the condition that, between the date on which this Bidder's Statement was given to Hydromet, namely 19 April 2012 and the end of the Offer Period, namely [•] June 2012 unless extended or varied (each inclusive) none of the following prescribed occurrences shall have occurred (each of the following events being a "Prescribed Occurrence"):

- (a) Hydromet converts all or any of its shares into a larger or smaller number of shares;
- (b) Hydromet or a subsidiary of Hydromet resolves to reduce its share capital in any way;
- (c) Hydromet or a subsidiary of Hydromet:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under Section 257C(1) or 257D(1) of the Corporations Act;
- (d) Hydromet or a subsidiary of Hydromet issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Hydromet or a subsidiary of Hydromet issues, or agrees to issue, convertible notes;
- (f) Hydromet or a subsidiary of Hydromet disposes, or agrees to dispose, of the whole, or substantial part, of its business or property;
- (g) Hydromet or a subsidiary of Hydromet charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Hydromet or a subsidiary of Hydromet resolves to be wound up;
- (i) a liquidator or provisional liquidator of Hydromet or any subsidiary of Hydromet is appointed;
- (j) a court makes an order for the winding up of Hydromet or any subsidiary of Hydromet;
- (k) an administrator of Hydromet or any subsidiary of Hydromet is appointed under 436A, 436B or 436C of the Corporations Act;
- (l) Hydromet or any subsidiary of Hydromet executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Hydromet or any subsidiary of Hydromet.

#### 9.11. Nature and benefit of condition

- (a) The condition in Section 9.10 is a condition subsequent. Subject to section 650G of the Corporations Act, the non-fulfilment of the condition subsequent does not, until the

## 9.16. Offerees

### *Registered holders*

- (a) The Bidder is making an offer in the form of this Offer to each holder of Hydromet Shares registered in the register of members of Hydromet at the Record Date.

### *Transferees*

- (b) This Offer extends to any person who is able during the Offer Period to give good title to a parcel of their Hydromet Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those Hydromet Shares.

### *Trustees and nominees*

- (c) If during the Offer Period and before you accept this Offer your Hydromet Shares consist of two or more separate parcels within the meaning of Section 653B of the Corporations Act (for example, because you are a trustee or nominee for several distinct beneficial owners), Section 653B of the Corporations Act will apply so that:
- (i) The Bidder is taken to have made a separate Offer to you for each separate parcel of Hydromet Shares; and
  - (ii) acceptance by you of the Offer for any distinct parcel of Hydromet Shares is ineffective unless:
    - (A) you give the Bidder notice in accordance with Part 6.8 of the Corporations Act, stating that your Hydromet Shares consist of separate parcels; and
    - (B) your acceptance specifies the number of Hydromet Shares in each separate parcel to which the acceptance relates.

## 9.17. Variation and withdrawal of Offer

### *Variation*

- (d) The Bidder may vary this Offer in accordance with the Corporations Act.

### *Withdrawal*

- (e) In accordance with Section 652B of the Corporations Act, the Bidder may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) that apply to that consent.

## 9.18. Governing law

This Offer and any contract resulting from acceptance of it are governed by the law in force in the State of New South Wales, Australia.

end of the Offer Period, prevent a contract to sell your Hydromet Shares from arising, but entitles the Bidder by written notice to you, to rescind the contract resulting from your acceptance of the Offer.

- (b) Subject to the Corporations Act, the Bidder alone is entitled to the benefit of the condition in Section 9.10, or to rely on any non-fulfilment of it.
- (c) Subject to the Corporations Act, the Bidder may free the Offer, and any contract resulting from its acceptance, from the condition subsequent in Section 9.10, either generally or by reference to a particular fact, matter, event occurrence or circumstance (or class thereof), by giving a notice to Hydromet and to ASX declaring the Offer to be free from the condition specified, in accordance with Section 650F of the Corporations Act. This notice may be given not later than three business days after the end of the Offer Period.
- (d) If, by the date three business days after the end of the Offer Period the condition in Section 9.10 has not been fulfilled and Bidder has not declared the Offer (or it has not become) free from that condition, all contracts resulting from the acceptance of the Offer will be automatically void.
- (e) The date for giving the notice on the status of the condition required by Section 630(1) of the Corporations Act is [•] May 2012 (subject to extension in accordance with Section 630(2) of the Corporations Act if the Offer Period is extended).

#### 9.12. Payment of consideration

*When will the Bidder pay you?*

- (a) Subject to this Section 9.12 of the Corporations Act, if you validly accept this Offer, and the Offer becomes unconditional the Bidder will pay you the consideration for your Hydromet Shares to which the Bidder acquires good title on or before the earlier of:
  - (i) the day that is one month after the later of the date on which you validly accept this Offer or the date that the Offer becomes, or is declared, unconditional; and
  - (ii) the day 21 days after the end of the Offer Period.

*Acceptance Form requires additional documents*

- (b) Where documents are required to be given to the Bidder with your acceptance to enable the Bidder to become the holder of your Hydromet Shares (such as a power of attorney):
  - (i) if the documents are given with your acceptance, the Bidder will pay you in accordance with Section 9.12(a);
  - (ii) if the documents are given after your acceptance and before the end of the Offer Period, the Bidder will pay you the consideration by the end of whichever of the following periods ends first:
    - (A) one month after the Bidder is given the documents; and
    - (B) 21 days after the end of the Offer Period; or

- (iii) if the documents are given after the end of the Offer Period, the Bidder will pay you the consideration within 21 days after the documents are given.
- (c) Payments will be by cheque in Australian currency. The cheque will be sent to you at your address stated on the Acceptance Form or another address notified by you to the Bidder.

#### 9.13. Rights

If the Bidder becomes entitled to any Rights as a result of your acceptance of this Offer, he may require you to give to him all documents necessary to vest title to those Rights in the Bidder. If you do not give those documents to the Bidder, or if you have received or are entitled to receive (or any previous holder of your Hydromet Shares has received or is entitled to receive) the benefit of those Rights, the Bidder may deduct the amount (or value as reasonably assessed by the Bidder) of such Rights (including the value of any franking credit) from any consideration otherwise payable to you. If the Bidder does not, or cannot, make such a deduction, you must pay that amount to the Bidder.

#### 9.14. Clearances for non-Australian residents and others

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
  - (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
  - (ii) the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
  - (iii) the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001* (Cth);
  - (iv) the *Charter of the United Nations (Sanctions – Iraq) Regulations 2006* (Cth);
  - (v) any other law of Australia or elsewhere that would make it unlawful for the Bidder to provide consideration for your Hydromet Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities or clearances.

#### 9.15. Costs and stamp duty

The Bidder will pay all costs and expenses of the preparation and the circulation of the Offers and any Australian stamp duty payable on the transfer of any Hydromet Shares to the Bidder pursuant to the Offer.

## 10. DEFINITIONS AND INTERPRETATION

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### 10.1. Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

**Acceptance Form** means the form of acceptance that accompanies this Bidder's Statement or any replacement or substitute acceptance form provided by or on behalf of the Bidder.

**Announcement Date** means the date on which the Offer was announced to ASX namely 19 April 2012.

**ASX** means Australian Securities Exchange Ltd and the securities market operated by it.

**ASX Listing Rules** means the Listing Rules published from time to time by ASX.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the operating Rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System.

**ASIC** means the Australian Securities and Investments Commission.

**Bidder (or the Bidder)** means Mr Simon Henry.

**Bidder's Statement** means this document, being the statement made by the Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Takeover Bid.

**CHESS** means Clearing House Electronic Sub-register System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities.

**CHESS Holding** means a holding of Shares on the Hydromet register of members administered by ASX Settlement which records uncertificated holdings of Shares.

**Closing Date** means [•] June 2012.

**Condition** means a condition of the Offer being a condition set out in Section 9.10 of this Bidder's Statement.

**Controlling Participant** has the same meaning, in relation to Hydromet Shares, as in the ASX Settlement and Operating Rules.

**Corporations Act** means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

**Encumbrance** means:

- (a) a security interest as defined in the Personal Property Securities Act, 2009 (Cth);
- (b) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;
- (c) a notice under Section 255 of the Income Tax Assessment Act 1936 (Cth), subdivision 260-A in schedule 1 to the Taxation Administration Act 1953 (Cth) or any similar legislation;

- (d) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (f) an agreement to create anything referred to above or to allow any of them to exist.

**Foreign Law** means a law of a jurisdiction other than an Australian jurisdiction.

**Hydromet** means Hydromet Corporation Limited ABN 71 002 802 646.

**Hydromet Share** means a fully paid ordinary share in Hydromet.

**Hydromet Shareholders** means holders of Hydromet Shares.

**GST** has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Offer** means the offer to acquire Hydromet Shares set out in Section 9 of this Bidder's Statement and includes a reference to that offer as varied in accordance with the Corporations Act.

**Offer Consideration** means the consideration offered by the Bidder for the Hydromet Shares.

**Offer Period** means the period referred to in Section 9.2 of this Bidder's Statement.

**Offer Price** means 4.8 cents per Hydromet Share.

**Prescribed Occurrences** means the matters set out in Section 9.10.

**Record Date** means 7.00pm on 19 April 2012.

**Rights** means all accretions and rights attaching to Hydromet Shares (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by Hydromet after the Announcement Date, and which includes, for the avoidance of doubt, any dividend or distribution declared or announced since the Announcement Date, whether or not such dividend or distribution relates in whole or in part to a period prior to that date).

**Share** means a fully paid ordinary share in Hydromet.

**Takeover Bid** means the takeover bid constituted by the Offer.

**VWAP** means the volume weighted average price at which Shares have traded on ASX in a designated period.

**your shares or your Hydromet Shares** mean the Hydromet Shares:

- (a) of which you are registered or entitled to be registered as the holder in the register of members of Hydromet at the Record Date and any new Hydromet Shares of which you are named as the registered holder on the register of members of Hydromet from the Record Date to the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, other securities; and

- (b) any other Hydromet Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period.

## 10.2. Interpretation

1. Words and phrases which are defined by the Corporations Act have the same meaning in the Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
2. Headings are for convenience only and do not affect interpretation.
3. The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
  - (a) a singular word includes the plural, and vice versa;
  - (b) a word which suggests one gender includes the other genders;
  - (c) if a word is defined, another part of speech has a corresponding meaning;
  - (d) unless otherwise stated references in this Bidder's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and subparagraphs of this Bidder's Statement;
  - (e) a reference to a person includes a body corporation; and
  - (f) a reference to \$ is to the lawful currency in Australia unless otherwise stated.

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by the Bidder, Mr Simon Henry on 18 April 2012.

Signed by Mr Simon Henry, the Bidder, in accordance with Section 351(2) of the Corporations Act.



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**Mr Simon Henry**

**Date: 18 April 2012**

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## Annexure A

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### *Hydromet announcements made since the announcement of its 2011 Annual Report*

<u>Date</u>	<u>Description of Announcement</u>
19/04/2012	Change in substantial holding
02/04/2012	Grant awarded from the IRIF
02/04/2012	Change in substantial holding
15/03/2012	Change in substantial holding
13/03/2012	Change in substantial holding
02/03/2012	Change in substantial holding
01/03/2012	Change in substantial holding
01/03/2012	Initial Director's Interest Notice
01/03/2012	Director Appointment
29/02/2012	Becoming a substantial holder
29/02/2012	Appendix 3B
29/02/2012	Cleansing Statement
29/02/2012	Change in substantial holding
28/02/2012	Change of Director's Interest Notice
28/02/2012	Change of Director's Interest Notice
28/02/2012	Results of Share Purchase Plan
28/02/2012	Appendix 3B
24/02/2012	Placement of Shares
23/02/2012	Change in substantial holding
21/02/2012	Update on acquisition of PGM Refiners Pty Ltd
21/02/2012	Half Yearly Report and Accounts
17/02/2012	Unsolicited offer from Simon Henry
16/02/2012	Change in substantial holding
07/02/2012	Change in substantial holding
02/02/2012	Market Update
31/01/2012	Change in substantial holding
24/01/2012	Change in substantial holding
23/01/2012	Share Purchase Plan
23/01/2012	Cleansing Statement
17/01/2012	Change of Director's Interest Notice
16/01/2012	Change in substantial holding
16/01/2012	Change of Director's Interest Notice
10/01/2012	Change in substantial holding
09/01/2012	Final Director's Interest Notice
09/01/2012	Change in substantial holding
09/01/2012	Change of Director's Interest Notice
29/12/2011	Preview of the first half result
28/12/2011	Retirement of the Managing Director
23/12/2011	Becoming a substantial holder
23/12/2011	Becoming a substantial holder
23/12/2011	Becoming a substantial holder
20/12/2011	Strategic investment in the E-Waste recycling
12/12/2011	Initial Director's Interest Notice
12/12/2011	Final Director's Interest Notice
05/12/2011	Director Appointment/Resignation
21/11/2011	Results of Meeting
18/11/2011	Chairman's Address to Shareholders
17/11/2011	Enter MOU to acquire an E-Waste Recycling Company

Annexure B

Purchases of Hydromet Shares by the Bidder during the four months before the

Date	Price	Volume	Date	Price	Volume	Date	Price	Volume	Date	Price	Volume	Date	Price	Volume
19-Dec-11	4.5	63,300	24-Jan-12	4.5	49,950	6-Feb-12	4.5	399,986	24-Feb-12	4.5	552,295	20-Mar-12	4.5	394,736
19-Dec-11	4.5	94,200	24-Jan-12	4.5	400,000	6-Feb-12	4.5	26,014	27-Feb-12	4.5	280,000	20-Mar-12	4.5	63,713
21-Dec-11	4.5	336,000	25-Jan-12	4.5	551,156	6-Feb-12	4.5	100,000	27-Feb-12	4.5	2,000	20-Mar-12	4.5	316,287
21-Dec-11	4.5	2,000	25-Jan-12	4.5	307,223	6-Feb-12	4.5	100,000	28-Feb-12	4.5	170,000	20-Mar-12	4.5	100,000
21-Dec-11	4.5	100,000	25-Jan-12	4.5	82,827	6-Feb-12	4.5	64,500	28-Feb-12	4.5	63,157	21-Mar-12	4.5	150,000
21-Dec-11	4.5	400,000	25-Jan-12	4.5	50,000	7-Feb-12	4.5	114,054	28-Feb-12	4.5	394,736	21-Mar-12	4.5	45,000
21-Dec-11	4.5	430,000	25-Jan-12	4.5	430,000	7-Feb-12	4.5	327,198	28-Feb-12	4.5	409,736	21-Mar-12	4.5	100,353
22-Dec-11	4.7	22,287,201	25-Jan-12	4.5	450,000	7-Feb-12	4.5	131,578	28-Feb-12	4.5	584,736	21-Mar-12	4.5	29,647
22-Dec-11	4.5	71,300	25-Jan-12	4.5	60,500	8-Feb-12	4.5	80,000	28-Feb-12	4.5	212,000	21-Mar-12	4.5	20,000
22-Dec-11	4.5	528,700	25-Jan-12	4.5	86,673	8-Feb-12	4.5	225,000	28-Feb-12	4.5	51,578	21-Mar-12	4.5	419,736
28-Dec-11	4.5	160,000	25-Jan-12	4.5	303,327	8-Feb-12	4.5	130,000	28-Feb-12	4.5	394,736	27-Mar-12	4.5	750,000
30-Dec-11	4.5	15,896	25-Jan-12	4.5	187,353	8-Feb-12	4.5	38,546	28-Feb-12	4.5	394,736	27-Mar-12	4.5	500,000
30-Dec-11	4.5	484,104	27-Jan-12	4.5	400,000	9-Feb-12	4.5	120,000	28-Feb-12	4.5	176,616	27-Mar-12	4.5	65,570
30-Dec-11	4.5	161,565	30-Jan-12	4.5	100,000	9-Feb-12	4.5	40,809	28-Feb-12	4.5	263,157	27-Mar-12	4.5	434,430
30-Dec-11	4.5	54,331	30-Jan-12	4.5	176,000	9-Feb-12	4.5	100,000	28-Feb-12	4.5	4,736	27-Mar-12	4.5	65,570
30-Dec-11	4.5	45,869	30-Jan-12	4.5	250,000	9-Feb-12	4.5	23,546	28-Feb-12	4.5	390,000	27-Mar-12	4.5	434,430
30-Dec-11	4.5	500,000	30-Jan-12	4.5	100,000	9-Feb-12	4.5	126,454	28-Feb-12	4.5	65,895	27-Mar-12	4.5	65,570
30-Dec-11	4.5	54,301	30-Jan-12	4.5	264,842	13-Feb-12	4.5	82,500	28-Feb-12	4.5	397,050	27-Mar-12	4.5	434,430
30-Dec-11	4.5	268,700	30-Jan-12	4.5	135,158	13-Feb-12	4.5	21,772	28-Feb-12	4.5	394,736	29-Mar-12	4.5	263,157
3-Jan-12	4.5	1,020,898	31-Jan-12	4.5	52,851	14-Feb-12	4.5	200,000	28-Feb-12	4.5	394,700	29-Mar-12	4.5	283,157
3-Jan-12	4.5	484,104	31-Jan-12	4.5	51,633	15-Feb-12	4.6	10,264	29-Feb-12	3.8	394,736	29-Mar-12	4.5	40,000
4-Jan-12	4.5	120,000	31-Jan-12	4.5	165,000	15-Feb-12	4.6	194,736	1-Mar-12	4.2	390,000	30-Mar-12	4.5	318,918
4-Jan-12	4.5	100,653	31-Jan-12	4.5	40,000	15-Feb-12	4.6	100,000	1-Mar-12	4.0	200,000	30-Mar-12	4.5	225,000
5-Jan-12	4.5	300,000	31-Jan-12	4.5	250,000	15-Feb-12	4.5	65,789	1-Mar-12	4.0	1,715	30-Mar-12	4.5	41,314
6-Jan-12	4.5	150,000	1-Feb-12	4.5	490,000	15-Feb-12	4.5	65,789	2-Mar-12	4.1	393,413	30-Mar-12	4.5	183,686
6-Jan-12	4.5	20,000	1-Feb-12	4.5	150,000	15-Feb-12	4.5	50,000	2-Mar-12	4.1	394,736	3-Apr-12	4.5	78,000
6-Jan-12	4.5	23,809	1-Feb-12	4.5	190,000	15-Feb-12	4.5	394,736	2-Mar-12	4.1	1,851	11-Apr-12	4.5	489,736
9-Jan-12	4.5	85,358	1-Feb-12	4.5	62,500	15-Feb-12	4.5	120,000	2-Mar-12	4.1	400,000	12-Apr-12	4.5	146,125
9-Jan-12	4.5	514,842	1-Feb-12	4.5	250,000	16-Feb-12	4.5	16,441	5-Mar-12	4.2	331,589	12-Apr-12	4.5	353,875
9-Jan-12	4.5	250,000	1-Feb-12	4.5	92,500	16-Feb-12	4.5	400,000	5-Mar-12	4.2	8,411	12-Apr-12	4.5	246,125
12-Jan-12	4.5	510,000	1-Feb-12	4.5	7,500	16-Feb-12	4.5	193,559	5-Mar-12	4.1	192,888	12-Apr-12	4.5	17,032
13-Jan-12	4.5	535,621	1-Feb-12	4.5	162,149	16-Feb-12	4.5	131,500	5-Mar-12	4.1	15,789	12-Apr-12	4.5	500,000
13-Jan-12	4.5	495,850	2-Feb-12	4.5	200,000	16-Feb-12	4.5	250,000	5-Mar-12	4.1	1,323	13-Apr-12	4.5	856
16-Jan-12	4.5	10,500	2-Feb-12	4.5	494,736	17-Feb-12	4.6	19,000	6-Mar-12	4.0	118,610	17-Apr-12	4.5	25,000
16-Jan-12	4.5	589,500	2-Feb-12	4.5	5,014	20-Feb-12	4.5	200,000	6-Mar-12	4.2	50,000	18-Apr-12	4.5	200,000
16-Jan-12	4.5	480,000	2-Feb-12	4.5	594,986	20-Feb-12	4.5	50,000	8-Mar-12	4.0	95,000	18-Apr-12	4.5	200,000
16-Jan-12	4.5	10,500	2-Feb-12	4.5	270,000	20-Feb-12	4.5	250,000	8-Mar-12	4.0	80,000	18-Apr-12	4.5	10,000
17-Jan-12	4.5	84,000	2-Feb-12	4.5	91,000	20-Feb-12	4.5	249,100	8-Mar-12	4.2	390,000	18-Apr-12	4.5	3,600
18-Jan-12	4.5	10,000	2-Feb-12	4.5	108,000	20-Feb-12	4.5	309,900	9-Mar-12	4.1	55,000			
19-Jan-12	4.5	60,000	2-Feb-12	4.5	200,000	20-Feb-12	4.5	440,100	12-Mar-12	4.5	492,306			
19-Jan-12	4.5	5,160	2-Feb-12	4.5	131,000	20-Feb-12	4.5	583,559	12-Mar-12	4.5	7,694			
20-Jan-12	4.5	10,000	2-Feb-12	4.5	8,200	22-Feb-12	4.6	187,500	12-Mar-12	4.5	292,306			
23-Jan-12	4.5	150,000	2-Feb-12	4.5	175,000	22-Feb-12	4.6	272,500	12-Mar-12	4.5	7,694			
23-Jan-12	4.5	350,000	2-Feb-12	4.5	33,165	22-Feb-12	4.6	398,114	12-Mar-12	4.5	1,692,306			
23-Jan-12	4.5	206,760	2-Feb-12	4.5	30,000	22-Feb-12	4.5	10,420	12-Mar-12	4.5	46,000			
23-Jan-12	4.5	10,000	2-Feb-12	4.5	152,000	22-Feb-12	4.5	210,000	12-Mar-12	4.5	394,736			
23-Jan-12	4.5	8,000	3-Feb-12	4.5	144,736	22-Feb-12	4.5	225,000	12-Mar-12	4.5	222,223			
23-Jan-12	4.5	400,000	3-Feb-12	4.5	180,000	22-Feb-12	4.5	200,000	12-Mar-12	4.4	100,000			
23-Jan-12	4.5	100,000	3-Feb-12	4.5	295,000	22-Feb-12	4.5	200,000	12-Mar-12	4.4	131,576			
23-Jan-12	4.5	390,000	3-Feb-12	4.5	250,000	22-Feb-12	4.5	60,000	12-Mar-12	4.3	263,157			
23-Jan-12	4.5	500,000	3-Feb-12	4.5	130,000	23-Feb-12	4.6	1,843	12-Mar-12	4.3	100,000			
23-Jan-12	4.5	235,000	3-Feb-12	4.5	100,000	23-Feb-12	4.6	145,167	14-Mar-12	4.6	25,726			
23-Jan-12	4.5	200,000	3-Feb-12	4.5	10,000	23-Feb-12	4.6	109,032	14-Mar-12	4.5	131,578			
23-Jan-12	4.5	375,000	3-Feb-12	4.5	200,000	23-Feb-12	4.6	330,000	14-Mar-12	4.5	7,694			
23-Jan-12	4.5	10,650	6-Feb-12	4.5	50,000	23-Feb-12	4.6	330,000	19-Mar-12	4.5	10,847			
23-Jan-12	4.5	45,340	6-Feb-12	4.5	120,000	23-Feb-12	4.5	225,000	19-Mar-12	4.5	10,847			
23-Jan-12	4.5	275,000	6-Feb-12	4.5	80,000	23-Feb-12	4.5	200,000	19-Mar-12	4.5	10,847			
24-Jan-12	4.5	50,000	6-Feb-12	4.5	250,000	23-Feb-12	4.5	13,514	19-Mar-12	4.5	10,847			
24-Jan-12	4.5	90,000	6-Feb-12	4.5	347,170	23-Feb-12	4.5	64,256	19-Mar-12	4.5	10,825			
24-Jan-12	4.5	40,000	6-Feb-12	4.5	280,830	23-Feb-12	4.5	21,480	19-Mar-12	4.5	230,000			
24-Jan-12	4.5	120,000	6-Feb-12	4.5	340,000	23-Feb-12	4.5	624,000	20-Mar-12	4.5	439,735			
24-Jan-12	4.5	100,000	6-Feb-12	4.5	375,000	24-Feb-12	4.5	60,000	20-Mar-12	4.5	499,999			
24-Jan-12	4.5	119,950	6-Feb-12	4.5	101,321	24-Feb-12	4.5	42,441	20-Mar-12	4.5	7,463			

## **Corporate Directory**

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### ***Bidder***

Mr Simon Henry

### ***Legal Advisers to the Offer***

Gillis Delaney Lawyers  
Level 11, 179 Elizabeth Street  
Sydney NSW 2000

### ***Broker to the Offer***

Investec Securities (Australia) Pty Limited  
Level 31, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

### ***Share Registrar to the Offer***

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000