



A.B.N. 71 002 802 646

21 February 2012

ASX Market Announcement,
Australian Securities Exchange,
20 Bridge Street,
Sydney NSW 2000.

Dear Sir/Madam,

Re: Acquisition of PGM Refiners Pty Limited

Hydromet Corporation Limited (ASX code: HMC) wishes to inform the market that the Subscription Agreement (“the Agreement”) announced by the Company on 20 December 2011 is subject to conditions precedent which have not been fulfilled within the time period contained in the Agreement. PGM Refiners Pty Limited have refused to waive the conditions precedent or grant an extension of time for their satisfaction.

In the circumstance, the parties to the Agreement are in the process of finalising a document by which the Agreement, and its preceding MOU [announced on 17 November 2011], will cease to be of any effect and each party to the Agreement will be released and discharged by each other party from all obligations and liabilities thereunder (save for certain exceptions). The Company expects this document to be signed by the parties in the coming days. In this regard the planned shareholders meeting will now not take place.

The Company will continue to identify acquisition opportunities in the recycling and resources recovery sectors.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Pipvide Tang', is written over a faint, illegible printed name.

Pipvide Tang
Director