

## **MEDIA RELEASE.**

### ***Hydromet's environmentally attractive \$25 million OneSteel waste treatment deal***

In an innovative deal that is expected to generate an estimated \$25 million for the company over five years, chemical and mineral waste treatment specialist Hydromet Corporation Limited has signed a contract with OneSteel Limited to treat all the electric arc furnace dust produced as waste at the steelmaker's Rooty Hill NSW plant.

But rather than simply immobilise the furnace dust, Hydromet has come up with an environmentally attractive solution. A significant portion of the waste, nearly one quarter, will be recycled as the important agricultural chemical, zinc sulphate. Moreover, the zinc sulphate will be produced in quantities that Hydromet expects will make it the principal Australian manufacturer of a product that is currently mainly imported.

For Hydromet, the combined value of furnace dust treatment fees and product sales from zinc sulphate production is estimated to be up to \$25 million over the initial 5 year period. The project has the option to review and continue beyond five years.

Hydromet is a listed company with two operating facilities located in NSW. It also runs an onsite filtration plant at Pasminco's Hobart Smelter in Tasmania.

The company expects to treat and process up to 35,000 tonnes of OneSteel furnace dust at its waste treatment and chemical production facility at Unanderra near Wollongong, NSW

The furnace dust, that is a major waste byproduct in steel production, contains significant quantities of zinc and iron and minor quantities of lead, cadmium and other contaminants.

The solution offered by Hydromet represents a major shift in the management of furnace dust. It will go from what is currently a landfill disposal option to a recovery and recycling alternative for the zinc content. Production of zinc sulphate is expected to be up to 4,000 tonnes a year.

Zinc Sulphate is an important agricultural chemical with at least three major applications:

- As a soil supplement in broad acre crop farming, for example cotton and horticultural application. It is often used in fertiliser blends.
- Treating sheep for footrot problems in wetter climates.
- As an animal feed supplement.

Hydromet already has experience and a reputation as a producer of quality zinc sulphate. During the 1990s, it manufactured zinc sulphate from copper smelter residues for which there was no prior disposal alternative. Zinc sulphate produced by Hydromet is a premium Australian-made product preferred by customers relying on

quality and low levels of impurities. As well as supplying the local market and replacing imports, Hydromet will also explore export opportunities.

Hydromet's hydrometallurgical recovery process will remove the zinc in the dust. From there it will be processed into three zinc sulphate product streams; liquid, crystal and powder forms. The waste residue from the zinc recovery process will then be made inert using a Hydromet developed immobilisation technique. This will allow it to be safely disposed to a solid waste landfill in an environmentally acceptable manner, meeting strict NSW Environmental Protection Authority solid landfill criteria.

Further development work will be undertaken to determine the recycling potential of the 30 per cent of iron in the furnace dust. If this can be recovered economically, it will be a benefit to OneSteel as well as significantly reducing the quantity going to landfill.

Hydromet will invest up to \$2.5 million on a plant upgrade and modifications at Unanderra to receive and process the 20 tonnes per day of furnace waste from the OneSteel mini mill.

The Unanderra plant is currently working on a lead immobilisation project on behalf of Rio Tinto. The Newcastle plant is handling a precious metals project at on behalf of Falconbridge, Norway

Hydromet's executive Chairman Dr Lakshman Jayaweera and Managing Director Mr Greg Wrightson said " the contract with Onesteel represents the culmination of more than five years of development and process demonstration. It confirms Hydromet as a leader and pioneer in the areas of waste treatment and recycling technology".

#### FURTHER INITIATIVES

Mr Wrightson said Hydromet is working on acquiring other projects along similar lines to the OneSteel venture as well as exploring opportunities covering a wide area of waste management and mineral and chemical production. They include:

- Possible involvement in the recycling of used motor vehicle batteries under a Memorandum of Understanding with a major international battery manufacturer. This would involve crushing and stripping used batteries to extract lead metal for smelting and waste acid for recycling through Hydromet's Onesteel project to produce Zinc Sulphate. Disposal of acid waste from used batteries is a major problem for the battery industry.
- Expansion of processing and residue recycling via the potential acquisition of a secondary smelting capability. This will involve acquiring facilities capable of recycling industrial residues more suitable to a small scale smelting operation. Secondary smelting may be more suitable to particular residues than the traditional hydrometallurgical process adopted by Hydromet and would integrate well into the company's waste recycling strategies.

- Evaluating the development of a licensed solid landfill for the disposal of industrial and other treated residues. Such a development is again synergistic with existing Hydromet operations and would fit the long-term strategy of broader waste handling and disposal services.
- Mercury, tellurium and manganese recycling projects are being developed with expectations of firm decisions over the coming months.

Coupled with expected profits of \$500,000 (subject to audit review) for the half year to December 2001, Hydromet Directors are confident the current financial year results will be the best on record with the opportunity to capitalise on recent contract successes.

Dr Jayaweera said Hydromet's reputation and profile as a problem solver to the hazardous waste management industry are expected to lead to other significant project opportunities during the next 12 months and beyond. "Hydromet is presently seriously examining 10 potential projects capable of bringing further business to the group," he said.

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