



To: ASX Announcements

Date: 25 August, 2004

Re: US Government Grant

IMT's US licensee, Purezza Marketing Inc, has received a grant from the US Department of Agriculture to trial Phoslock in the treatment of water bodies in the aquaculture and agricultural industries. The grant is for US\$80,000. The principal objective of the project will be to use Phoslock as a measure for phosphorus control in aquaculture waste waters and animal waste management systems.

The project will have three components. The first component will be short-term range-finding bench tests that will start almost immediately. The second component will be pilot scale treatment of artificial catfish ponds and the third will be commercial-scale treatment of operating catfish ponds and waste lagoons at dairy and poultry facilities.

The commercial-scale treatments will be performed at a hatchery in Oklahoma and a catfishery at Osage Beach, Missouri, as well as in the waste lagoons at dairy and poultry facilities. The objective of these treatments will be to determine the practical and economic applicability of Phoslock under production conditions by using Phoslock to reduce phosphorus concentrations both during farming operations and prior to the release of wastewaters into the environment.

Chris Mackay, Ph.D of environmental consultants Exponent Inc of Bellevue, Washington has said:

"The control of phosphorus in wastewater is not a problem exclusive to aquaculture. Every concentrated animal feeding operation, many horticultural producers, and even food processing operations are faced with controlling phosphorus emissions to both control permitted point sources and to meet nonpoint source total maximum daily load requirements. Phoslock has the potential to be used in any operation where wastewater is impounded for a short period of time. If it can be shown that Phoslock can effectively and economically control aqueous phosphorus concentrations within this test study, then it should be possible to easily modify the treatment approach to be used in any number of other animal production operations."

IMT expects the results from these applications to be used to establish Phoslock within the US agriculture industry as a method of controlling phosphorus discharge to inland waterways. The results will be invaluable in marketing to Europe, Australia and Asia where the problems caused by aquaculture and agriculture runoff and waste are just as common.

For further details, please contact Brett Crowley, CEO, on 02 96980622.