



EXPRESSION OF INTEREST

Hindustan Zinc limited invites the Bid from interested parties for the sale of Zinc concentrate

Subject: Tender for sale of RAM Zinc concentrate

TENDER NO: HZL/CONC/RAM/ZN20110

Dated: 20th JAN 10

1. Quantity

A total of 10,000 dmt (+/-10% in Seller's option) Rampura Agucha Zinc concentrate (RAM)

2. Quality

Zinc concentrate as produced at Rampura Agucha Mines (RAM) the indicative chemical analysis is as per Annexure

3. Shipment

Early Feb 2010 at Seller's option, in bulk in 1 lot, with one discharge subject to suitable transport available for material movement to port and suitable vessel availability

4. Delivery

CIF FO MCP (As per Incoterms 2000). Discharge rate to be 3000 wmt pwwd shexuuatutc for MCP. Disport to be declared by 31st Jan 2010.

5. Payment

Against Sight L/C to be established by 5th Feb 2010

First Provisional Payment

100% payment against LC on presentation of the following documents at the counter of negotiating bank

- 3/3 Bills of Lading
- Provisional Invoice issued by HZL based on LME 10 days prior to the BL date
- Provisional weight and assay certificate issued by HZL
- Insurance certificate

Second Provisional Payment

100% payment less the first provisional payment, basis latest available data to be paid upon completion of QP

Final Payment

Buyer/Seller to pay to the indebted party (less provisional payments) once all details are known.

Value Exposure: In case there is a value exposure due to fluctuation of LME prices by more than 10% of the payment made, LC Value to be enhanced within 3 days of receipt of such request, the exposure will be calculate on 15 calendar Avg. LME.

Conditions of LC:

- i. Irrevocable and sight LC (of 110% value) to be opened by a first class bank acceptable to HZL and should be opened within 2 days of vessel nomination.
- ii. LC to be opened at average price of 10 LME days prior to the date of Proforma Invoice and the first provisional payment to be done on average of 10 days prior to the date of Bill of Lading. In case there is a rise in LME price by more than 10%, LC value to be enhanced within 3 days of receipt of such request from HZL.
- iii. LC to allow for confirmation at HZL's cost
- iv. LC to allow for multiple negotiations
- v. LC to have TT reimbursement clause for payment within 2 working days.
- vi. All charges outside India to be borne by the applicant.

6. Splitting limits

Zinc	0.30%
Silver	20 gram/dmt

Weighing / Sampling / Moisture determination

These operations shall be carried out at the port of loading. In accordance with international practice under the supervision of a reputable supervision company. Lots size about 500 wmt each. Buyer shall have the right to be represented at their own expenses.

7. Deductions

Treatment Charge

Treatment Charges to be quoted in USD /DMT on a flat basis without scales delivered CIF MCP or freight parity

All fractions pro rata

Penalties

No penalties shall apply.

7. Quotational Period

The quotational period will be Avg of Feb 10 for 4300MT metal and the balance metal would be priced basis month after the month of shipment evidenced by the bill of lading date. Ag will be Avg month of Feb 2010

8. Payable Metals

Zinc: The Zinc to be paid for each DMT of Zinc concentrate shipped hereunder shall be 85% (Eighty-five percent) of the full Zinc content, subject to a minimum deduction of 8.00 (Eight) units/DMT, at a price equal to the daily official LME Settlement Quotation for Standard Zinc in US Dollars, as correctly published in the "London Metal Bulletin" and averaged over the applicable Quotational Period.

Silver: The silver to be paid for each DMT of Zinc concentrate shipped hereunder shall be 70% (seventy percent) of the balance silver content, subject to a minimum deduction of 3 troz at a price equal to the daily official LBMA Spot Quotation for Silver in US Cents, as correctly published in the "London Metal Bulletin" and averaged over the applicable Quotational Period.

9. Assays

To be exchanged in the usual manner by crossing courier i.e. Buyer and Seller certificates. Buyer to furnish assay results on the letterhead of LME registered laboratory. In case delay in exchange beyond to 60 days, penalty will be application @ 0.30% p.a. on final bill value

10. Information to bidders

HZL reserves the right to accept any bid or reject any or all the bids, received. Should the seller for any reasons refrain from concluding a contract with the successful bidder, the latter shall have no right to claim any damages in this connection

The bids to be submitted by 1300 hrs Indian time on Friday 22nd Jan 2010 at the fax no +91 1472 255 647 and email to vimal.godha@vedanta.co.in and sundeep.prasanna@vedanta.co.in. The bids should be valid till 1700 hrs Monday 25th Jan 10

Annexure 1

Typical Assay of RAM Zinc Concentrate

Quantity: 10000 MT(Approx)

Elements (% unless specified)	Expected Range			Typical value
Pb	1.40	-	1.60	1.50
Zn	52.00	-	52.50	52.3
Fe	8.50	-	9.50	9.0
Ag (ppm)	70.00	-	80.00	75
SiO ₂	2.40	-	2.80	2.6
MgO	0.30	-	0.55	0.4
Gr.C.	0.75	-	0.80	0.78
Cu	0.08	-	0.09	0.085
S(total)	29.00	-	33.00	31
CaO	1.00	-	1.60	1.3
Cd	0.16	-	0.19	0.2
As ppm	90.00	-	140.00	115
Sb ppm	110.00	-	150.00	130
Ni (ppm)	28.00	-	45.00	37
Co (ppm)	28.00	-	45.00	37
F (ppm)	80.00	-	120.00	100
Mn	0.25	-	0.40	0.33
Hg (ppm)	38.00	-	48.00	43
Al ₂ O ₃	0.40	-	0.90	0.7
Bi (ppm)	25.00	-	35.00	30
Cl (ppm)	80.00	-	130.00	105
Sizing (um)	87 to 90 % Passing 37 Micron			