



## EXPRESSION OF INTEREST

Vedanta Resources plc is a London listed FTSE 100 diversified metals and mining major. The group produces aluminum, copper, Zinc, Lead and Iron ore and also commercial energy. Vedanta has operation in India, Zambia and Australia and organic growth pipeline of projects. Hindustan Zinc limited invite the Bid from interested parties for the sales of concentrate

Subject : Tender for sale of RDM Zinc concentrate

**TENDER NO ; HZL/CONC/RDM/ZN NOV 18<sup>th</sup> NOV 09**

### **Quantity**

A total of 10000 dmt ( +/-10% in Seller's option ) .. Rajpura Dariba Zinc concentrate

### **Quality**

Zinc concentrate as produced at Rajpura Dariba Mines (RDM) , the indicative chemical analysis is as per Annexure

### **Shipment**

Dec 2009 at sellers option , In bulk in 1 lot with one discharge subject to suitable availability of transport for material movement to port and suitable vessel availability.

### **Delivery**

CIF FO MCP (As per Incoterms 2000). Discharge rate to be 3000 wmt pwwd shexuatutc for MCP . Disport to be declared by 7<sup>th</sup> Dec 09.

### **Payment**

Against Sight L/C will be established by 10<sup>th</sup> Dec 09

### **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) when 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 & exposure will be calculate on 15 calendar Avg. LME.

### Conditions of LC:

- \*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.
- \*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.
- \*LC to allow for confirmation at HZL's cost
- \*LC to allow for multiple negotiation
- \*LC to have TT reimbursement clause for payment within 2 working days.
- \*All charges outside India to be borne by the applicant.

## **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.

## **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.

## **Quotational Period**

The quotational period will be Avg of Dec 09 for 3700MT metal and balance metal month after the month of shipment . Ag will be month after the month of shipment

## **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.

## **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

## **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 the connection

The bids to be submitted by 1500 hrs Indian time on Friday, 27<sup>th</sup> Nov 09 at the fax no +91 1472255647 and E mail to vimal.godha@vedanta.co.in and sundeep.prasanna@vedanta.co.in. The bids should be valid till 1700 hrs Monday 30<sup>th</sup> Nov 09

**Detailed assay of RDM Zinc Concentrate**

Elements	Range			Typical
Pb (%)	2.0	-	6.5	4.11
Zn (%)	42		48.5	45.23
Cu (%)	0.08	-	0.3	0.1
Fe (%)	7	-	10.0	8.36
Ag (ppm)	135	-	300	200
Cd (%)	3300	-	4200	3589
ISM (%)	5.2	-	11.5	6.97
SiO2 (%)	4.1	-	8	5.01
Gr.C (%)	1.3	-	2.9	2.03
Hg (ppm)	150	-	320	235
As (%)	0.25	-	0.4	0.325
Co (ppm)	30	-	55	42.5
Ni (ppm)	25	-	60	42.5
Sb (%)	0.25	-	0.35	0.3
Bi (ppm)	25	-	55	40
Mn (%)	0.15	-	0.30	0.225
F(ppm)	350	-	400	375
S(%)	31	-	40	35.5
Size analysis:	65 to 78%(-400#)			
Moisture	8%		10%	

