

According to the Decision of the Board of the Copper Mine Bor L.L.C. in restructuring (Rudnik bakra Bor d.o.o. u restrukturiranju) no. I/XXIII-2 dated 21 December 2006 and the Contract of Power of Attorney no. II, Cert.no. 3043/06 dated 22 December 2006, closed between the Copper Mine Bor, L.L.C. in restructuring and the Privatization Agency,

Privatization Agency of the Republic of Serbia announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PUBLIC BIDDING FOR

PURCHASE OF A PART OF ASSETS of the Copper Mine Bor L.L.C, in restructuring

i.e.

Exploratory works and Diamond Crown

«AS SEEN»

Sale Code: 310507-R-1849

1. Subject of Public Sale:

Subject of sale are the immovable and movable assets owned by the **Copper Mine Bor L.L.C. in restructuring**, i.e. Exploratory Works and Diamond Crown, i.e. constructions on the land area of 7.040 m², which are placed on the Cadastral parcels no-s. 2128, 2130, 2139-3 inscribed in the Possession Document no. 3266 of the Cadastral Municipality of Bor and on the Cadastral parcels 4400/12 and 4400/17, inscribed in the Temporary Register of the immovable assets 864 of the Cadastral Municipality of Bor, with production and neighbouring equipment, in accordance with the content set out in the selling documents. The subject real estate of the Exploratory works covers the total area of 980 m² and consists of workshop for maintenance of electrical installations, exploratory works plant, head office, administration building – head office 2 of the Exploratory works, plant for fabrication of diamond crowns and secondary facilities and real estate of the Diamond Crown, total area of which is 618 m², that consists of factory hall, administration building and porter's lodge.

The stipulated assets are offered for sale as seen, without possibility of further complaints.

Mandatory requirements of the Public Sale:

The initial price at the Public Bidding amounts to **USD 950.390,00**.

The Sales-Purchase price is to be paid off AT ONCE.

Means of payment for the Sales-Purchase price can be SOLELY in domestic currency or in foreign convertible currency.

If the declared buyer is a domestic legal entity or individual, it can pay the Sales-Purchase price in the RSD equivalent, calculated according to the official intermediate exchange rate of the National Bank of Serbia (NBS) on the payment date.

Participation requirements:

The right to participate in the Public Bidding have parties which have fulfilled the following requirements:

- purchased the Bidding Documents;
- signed the Confidentiality Agreement;
- submitted the Application for participation in the Public Sale;
- paid in the deposit for participation in the Public Bidding to the amount of **USD 285.117,00**, which can be paid in the RSD equivalent, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation or have submitted the Bid Bond to the amount of **USD 285.117,00** along with the Application for participation in the Public Bidding, which can also be paid in the RSD equivalent, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation for participation in the Public Bidding, and
- registered for participation in the Public Bidding.

As a Bidding participant can apply also a Consortium consisted of domestic and/or foreign legal entities and/or individuals (hereinafter: Consortium). Through the Consortium Agreement members of Consortium must authorize one of them to represent the Consortium (hereinafter: the Authorized Representative of the Consortium) to act on behalf of and for the account of the Consortium. The Consortium Agreement must stipulate the unlimited joint and several liabilities of all members of the Consortium.

The Consortium Agreement has to be submitted along with the Application for participation in the Public Bidding.

Selling (bidding) documents:

Selling documents must contain:

- The Confidentiality Agreement
- Application form for participation in the Public Sale
- Draft Agreement on sale of assets
- Rules of the Public Bidding procedure – Instructions to Bidders
- Relevant property and legal documents
- Duplicate of the Public Invitation for participation in the Public bidding

Those who are interested can purchase selling documents at the price of **RSD 40.000,00** without VAT.

After the payment evidence has been submitted, the selling documents can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St, 5th floor, office 511.

The funds paid for the purchase of the selling documents are not refundable.

The selling documents are available to interested parties from 30 April 2007 until 22 May 2007, on working days from 09:00 to 16:00.

Visits to the Subject of sale shall be available to the parties that have purchased the sale documents and signed the Confidentiality Agreement.

The schedule of visits to the Subject of Public Sale shall be determined in accordance with the Rules of the Public Bidding procedure – Instructions to Bidders.

Contact person:

Vuk Perić

Public Auction Center

Tel: +381 11 30 20 895; +381 11 30 20 803; +381 11 30 20 842

Fax: +381 11 3029 985

E-mail: vperic@priv.yu

www.priv.yu

Submission of Applications for participation in the Public Bidding:

The Applications are to be submitted directly to the Privatization Agency, 23 Terazije St., Belgrade, 5th floor, office 511, in a sealed envelope marked with:

Auction Sale Code: **310507-R-1849**

APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING

Privatization Agency of the Republic of Serbia

23/V Terazije St, Belgrade

The deadline for submission of Applications for participation in the Public Bidding is 23 May 2007, at 17:00.

Application for participation in the Public Bidding is to be completed in a separate form, which is an integral part of the Bidding Documents. Along with the Application for participation in the Public Bidding, it is mandatory to submit the signed and on each page initialed Draft Agreement on sale and the deposit payment evidence, i.e. the Bid Bond.

Incomplete and belated Applications shall not be taken into consideration.

The Commission for the Public Sale conduct will inform Bidders on approval of their Applications at the latest until one working day prior to the date of the Public Bidding performance.

The parties, whose Applications for participation in the Public Bidding have been approved, but which have failed to register, lose the right to be returned the deposit, i.e. the Bid Bond. The right to be returned the deposit, i.e. the Bid Bond, will lose also those parties, which have registered for the Public Bidding, but have failed to participate.

Public Bidding performance:

Public Bidding will be held on 31 May 2007, with the beginning at 14:00, at the address: Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall.

Registration of participants in the Public Bidding will be held on 31 May 2007, from 13:00 to 13:50, at the address: Privatization Agency, Belgrade, 23 Terazije St., 2nd floor, Small Hall.

The method of the Public Bidding performance is described in detail in the Instructions to Bidders.

The deposit, i.e. the Bid Bond, is to be returned to the participants which have not been declared buyers, within 10 working days from the date of the Public Sale closing, except for the participant, which has bid the second-ranked offer at the Public Bidding.

Conclusion of the Agreement on sale of assets:

Text of the Draft Agreement on sale of assets cannot be changed.

The participant, who has been the first to bid the best offer at the Public Bidding and has been declared a buyer, will sign the Agreement on sale of assets with the seller.

The participant, who has been the first to bid the best offer at the Public Bidding procedure, and has submitted to the Agency the Bid Bond along with the Application for participation in the Public Bidding, as a means of the deposit payment guarantee, is obliged to pay the deposit amount into the Agency's account, not later than two days from the date of the Public Bidding performance.

If the declared buyer refuses to sign the Minutes on the Public Bidding or the Agreement on sale of assets or fails to pay the Sales-Purchase price within the established period, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be cashed.

In the event that the declared buyer refuses to sign the Minutes on the Public Bidding or the Agreement on sale of assets or does not pay the Sales-Purchase price within the established period, but there have been other bids, the Agreement on sale of assets is to be concluded with the participant, who has bid the second-ranked offer at the price, offered by that participant.

If the participant, who has bid the second-ranked offer at the Public Bidding, refuses to sign the Minutes or the Agreement on sale of assets or does not pay the Sales-Purchase price within the established period, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be cashed.

Right to amend the Public Invitation:

Privatization Agency and the Copper Mines Bor, L.L.C. in restructuring reserve the right to change dates, deadlines and/or conditions set out in this Public Invitation, and shall bear no liability for potential costs or damages, suffered by potential participants in the Public Bidding as a result of such amendments.

The Privatization Agency will inform potential participants on the amendments to the Public Invitation at the latest until the Public Bidding date.