

REFINANCING - New Gold finalises \$300 million financing

03 September 2014 | by Chris Cooper

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DEAL NEWS

Transaction name: New Gold's Credit Facility Refinancing

Value: \$300 million

Parties: New Gold

Mexico City-based **Von Wobeser & Sierra** has advised Canadian mining company **New Gold** in the negotiation and execution of a \$300 million revolving credit facility with a syndicate of global banks led by **The Bank of Nova Scotia** and **RBC Capital Markets**. The facility was finalized on August 14, 2014, and partners Fernando Carreño and Andres Nieto led the team of lawyers who completed it.

Von Wobeser's team said the transaction sets a precedent in the Mexican market because "it reflects the strength of the Mexican economy as foreign companies are refinancing their debt using their Mexican subsidiaries as guarantors through sophisticated security schemes, and has put to the test the new legal framework derived from the recent financial reform."

Carreño and Nieto said the transaction was particularly challenging because guarantees that were previously granted in different jurisdictions were cancelled and obtaining new guarantees required the coordination of efforts in multiple jurisdictions.

"This was handled with solid planning and management between the different key players in the numerous jurisdictions" the team added. "Due to an adequate guarantee scheme, the new facility provides New Gold with additional financial flexibility including, among others, standby fees, pricing and covenants more favorable to New Gold and extends the original term."

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