CHILEAN MINER SIGNS ROYALTIES AGREEMENT WITH ROYAL GOLD

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Toby Luckhurst

Carey in Santiago and Borden Ladner Gervais LLP in Vancouver have helped Teck CDA, a Chilean subsidiary of Canadian mining company Teck Resources, reach a long-term offtake agreement worth US$525 million with RGLD Gold, a Swiss subsidiary of US precious metals company Royal Gold.

RGLD hired Urenda, Rencoret, Orrego y Dörr Abogados in Santiago, McCarthy Tétrault LLP in Toronto,Hogan Lovells LLP in Denver and Schellenberg Wittmer in Zurich for the agreement. The deal closed on 9 July.

Teck CDA agreed to sell and deliver 100 per cent of the gold it produces to RGLD for a 40-year period, reducing to 50 per cent once it has delivered 900,000 ounces of gold. RGLD paid US$525 million upfront to Teck CDA in the deal, and agreed to pay a cash price of 15 per cent of the monthly average gold price for the preceding month to Teck CDA at the time of each delivery of gold. Teck CDA expects to produce 50,000 ounces of gold per annum in the first five years of the mine. RGLD is a precious metals company based in Denver with royalty claims on copper, gold, lead, silver and zinc mines in over 20 countries.

Paul, Weiss, Rifkind, Wharton & Garrison LLP, Cassels Brock & Blackwell and Bofill Mir & Alvarez Jana Abogados helped Chilean mining company Lundin sign a royalties streaming agreement in November 2014. Lundin signed a US$648 million royalties agreement with Canadian mining royalties company Franco-Nevada, pledging the majority of output from two of its copper mines. Cariola, Díez, Pérez-Cotapos & Cía Ltda in Santiago and Canadian firm Torys LLP advised Franco-Nevada in the deal.

Carey y Cía. Ltda.
Isidora Goyenechea 2800, 43rd Floor.
Las Condes, Santiago, Chile.
www.carey.cl

Counsel to Teck CDA

In-house counsel – Nick Uzelac

Carey

Partners Rafael Vergara and Alex Fischer, director Francisco Corona, and associates Isabel Espinoza, José Tomás Barrueto, Paula Gajardo, Ignacio Tornero, Borja Coz and Elías Mohor in Santiago

Borden Ladner Gervais LLP

Partners Fred Pletcher and Michael Waters in Vancouver

Counsel to RGLD Gold

In-house counsel – Randy Shefman

Urenda, Rencoret, Orrego y Dörr Abogados

Partners Sergio Orrego, Gonzalo Rencoret and Ignatio Urrutia and associates Verónica Roa, Javiera Vicuña, Raúl Gómez, Sebastián García, Peter Faille and Santiago Verdugo in Santiago

McCarthy Tétrault LLP

Partner Brian Graves and associates Jennifer Organ, Lama Sabbagh and Claire Gowdy in Toronto

Hogan Lovells LLP

Partner Paul Hilton, counsel Kevin Burke and associate Andrew McCormick in Denver

Schellenberg Wittmer

Partner Martin Weber in Zurich