

## Goldman Sachs buys mining assets in Colombia

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Goldman Sachs is buying Colombian assets from financially distressed Canadian miner Coalcorp for US\$200 million, as part of a deal spanning seven jurisdictions.

The Wall Street investment bank retained US firm Boies, Schiller & Flexner LLP as lead counsel, alongside Prieto & Carrizosa in Colombia, Aleman, Cordero, Galindo & Lee in Panama, Osler, Hoskin & Harcourt LLP in Canada, Uria Menendez in Spain and Linklaters in the UK.

Coalcorp's lead counsel was Canadian firm Goodmans LLP, with support from Colombia's Gomez-Pinzon Zuleta Abogados SA, Anzola Robles & Asociados in Panama and Dancia Penn & Co in the British Virgin Islands.



"This project implies the entry of financial giant Goldman Sachs into the country," says Prieto & Carrizosa's Martin Acero. "It perhaps constitutes the first significant M&A deal in a year that looks promising in terms of economic recovery."

The deal, announced on 7 January, will see Goldman Sachs pay US\$100 million for Coalcorp's La Francia mine in northern Colombia, and a further US\$51 million for shares in Panamanian affiliate Adromi Capital, which owns the concession for another undeveloped project near La Francia.

In addition, Coalcorp's local subsidiary has agreed to supply Goldman Sachs with 2.4 million metric tons of coal. The US\$50 million agreement was negotiated under UK law, with the help of Linklaters' London office.

Uria Menendez advised on Goldman Sachs' internal financing arrangements for the deal.

Coalcorp is selling the bulk of its assets to pay off bondholders and finance a US\$161 million litigation it filed last year in Canada against ousted directors of the company. The suit is seeking damages and restitution for transactions made in 2008, including the sale of a 40 per cent interest in Coalcorp's other Colombian mine, Caypa, and port lands in Cartegena.

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The company's shareholders will meet in early February to vote on the transaction, with closing expected later in the month. Goldman Sachs has also provided US\$5 million in bridge financing to meet Coalcorp's working capital requirements between signing and closing.

Counsel to Goldman Sachs

US

- \* In-house counsel - Steven Bunkin and Margaret Vaden
- \* Boies, Schiller & Flexner LLP  
Partner Rob Leung

Colombia

- \* Prieto & Carrizosa  
Partner Martin Acero and associates Carolina Hernández and Nicolás Tirado

Panama

- \* Aleman, Cordero, Galindo & Lee  
Partner Arturo Gerbaud and associates Eloy Alfaro and Ana Maria Legendre

Canada

- \* Osler, Hoskin & Harcourt LLP  
Partners Doug Bryce and Michael Hart

UK

- \* In-house counsel - James Powell and Matthew Enston
- \* Linklaters  
Partner Fiona Hobbs and associate Francesca Matthews

Spain

- \* Uria Menendez  
Partner Guillermo Canalejo

Counsel to Coalcorp

Canada

- \* Goodmans LLP  
Partner Grant McGlaughlin

Colombia

- \* Gomez-Pinzon Zuleta Abogados SA  
Partner Jorge Enrique Barón

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- \* Anzola Robles & Asociados  
Associates Maricarmen Plata and María Mercedes Hernández

British Virgin Islands

- \* Dancia Penn & Co  
Partners Astra Penn and Tina Bannister