

Russia's approval of the draft cooperation agreement between the governments of Russia and China to develop the Klyuchevskoye gold deposit (Trans-Baikal Territory)

The purpose of the agreement is to implement the investment project to develop the Klyuchevsky gold deposit in the Trans-Baikal Territory. Concluding the agreement will facilitate the formation and development on an integrated complex for mining and processing minerals and help create about 3,000 jobs in the region.

Reference

Submitted by the Ministry of Industry and Trade.

By signing the directive, Russia approved the draft Agreement between the Government of the Russian Federation and the Government of the People's Republic of China on Cooperation to Implement the Project to Develop the Klyuchevskoye Gold Deposit (hereinafter referred to as the Agreement).

The Agreement consolidates the terms allowing the company China National Gold Group Hong Kong Limited (Hong Kong, People's Republic of China) or any other company it fully controls (either directly or indirectly) to acquire no less than 60 percent and no more than 70 percent of the voting shares of the Rudnik Zapadnaya-Klyuchi joint stock company with a view to creating favourable terms for investment cooperation in developing the Klyuchevskoye gold field.

Implementation of the investment project to develop the Klyuchevskoye gold deposit will support the deposit's geological exploration and mining, including the formation and development on an integrated complex on mining and processing minerals. The Agreement provides for the production of precious metals on Russian territory. It also includes measures to support Russian producers of mining and other auxiliary equipment.

The Agreement will facilitate the creation of jobs in the Trans-Baikal Territory (about 1,000 direct jobs and about 2,000 related jobs), higher tax revenues for the budgets of the Russian Federation, and the development of the region's infrastructure.

In accordance with the federal law On International Treaties of the Russian Federation, after it is signed the Agreement must be ratified because it establishes rules that differ from those stipulated by Russian law.