



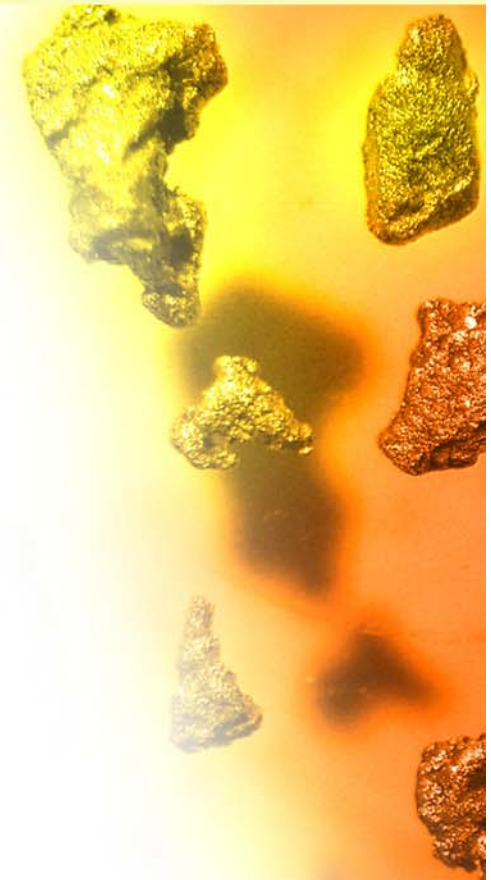
POLYUS

We know the worth of gold

Polyus Gold

MINEX'09

Moscow, October 2009



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Polyus Gold key facts and operations

	2008	1H2009
■ Gold sales, \$M	1,062	442
■ Gold production, M OZ	1.2	0.4
■ TCC, \$/OZ	392	361
■ EBITDA, \$M	436	218
■ EBITDA margin, %	41	48
■ JORC 2P, M OZ	74.1	74.1
■ Hedge free, Debt free		





Recent developments: KazakhGold acquisition

Partial offer completed

- 50.1% acquired for \$256M (\$191M cash + 0.9% PLZL shares)
- Complex and novel transaction;
- Offer value decreased three times since the start of negotiations.

Deal favorable conditions

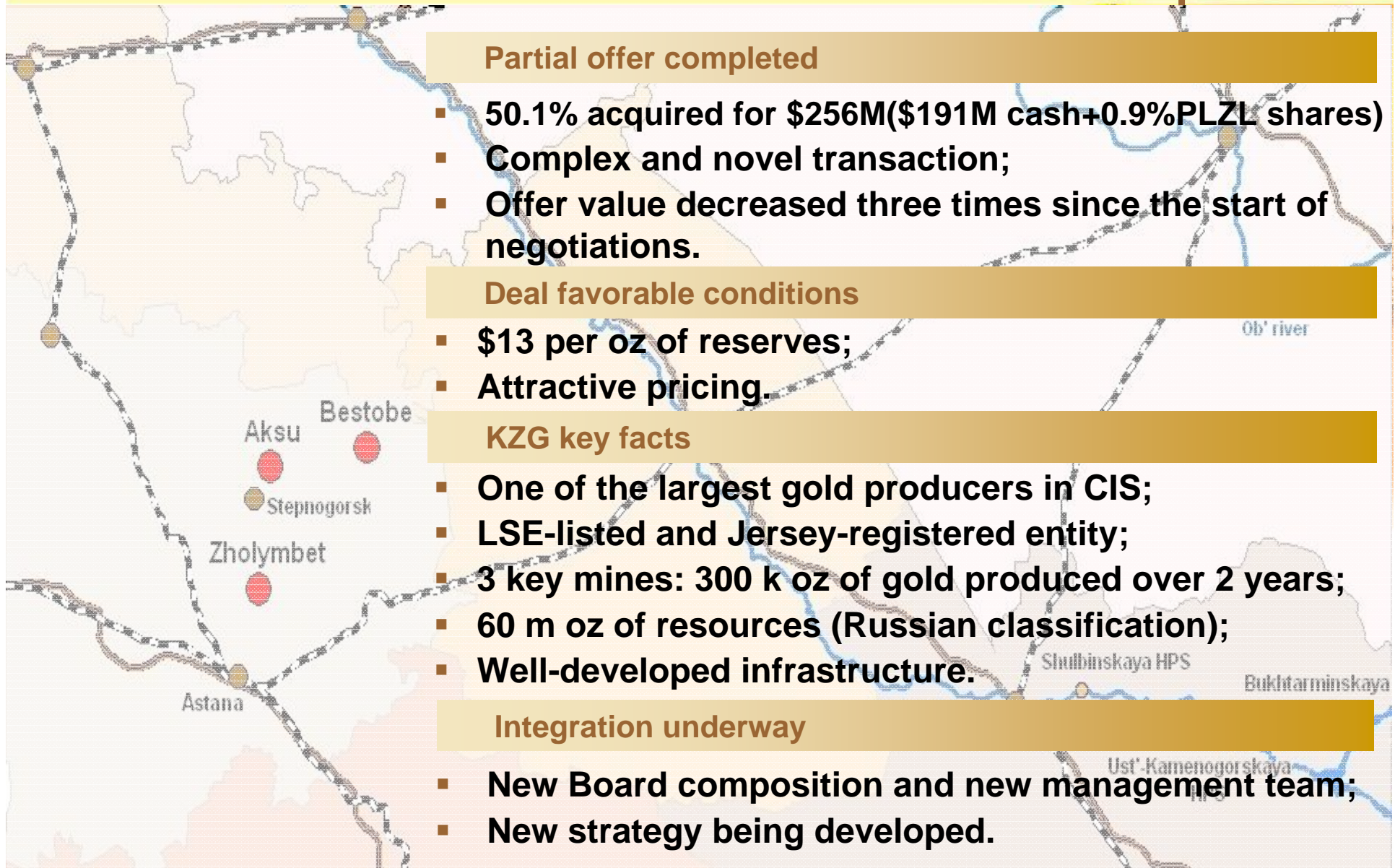
- \$13 per oz of reserves;
- Attractive pricing.

KZG key facts

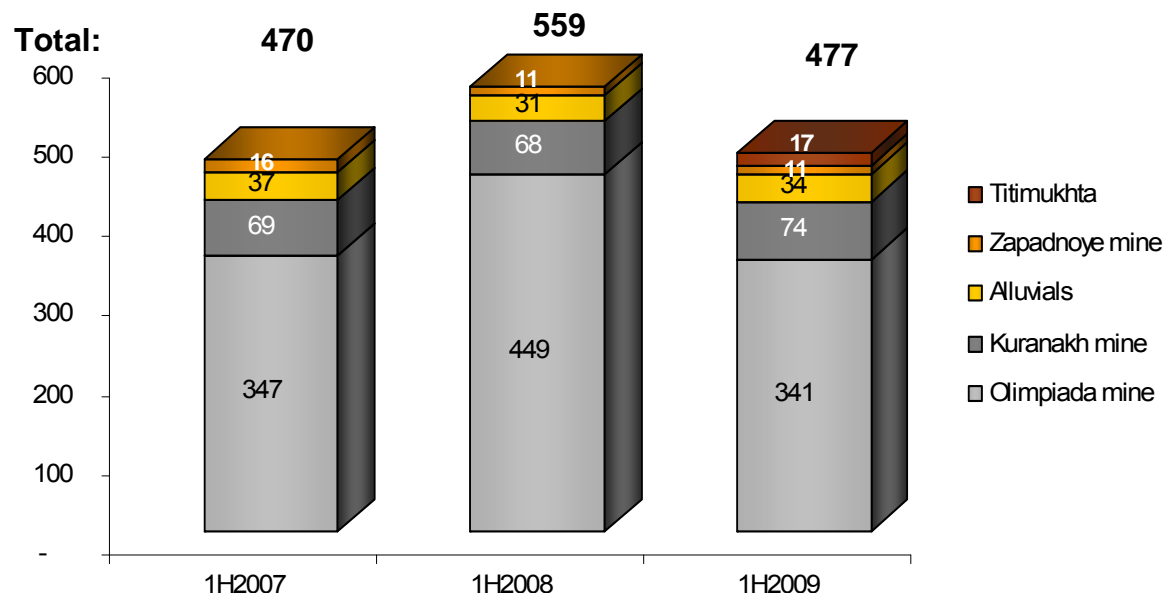
- One of the largest gold producers in CIS;
- LSE-listed and Jersey-registered entity;
- 3 key mines: 300 k oz of gold produced over 2 years;
- 60 m oz of resources (Russian classification);
- Well-developed infrastructure.

Integration underway

- New Board composition and new management team;
- New strategy being developed.



Gold production, k oz



In the first half of 2009 the Polyus Group produced and sold **477 k oz** of refined gold.

The major factors influencing 1H2009 operating results:

Olimpiada mine:

- 40 k oz of Dore gold (the metal before refining) were delivered to the refining plant, but were not refined in the reporting period;
- Completed switch to processing of sulfide ores, which have a lower grade, compared to the oxide ores;
- Mill-2 was closed to perform regular maintenance works.

Alluvials:

- Increase in volumes of sands washed.

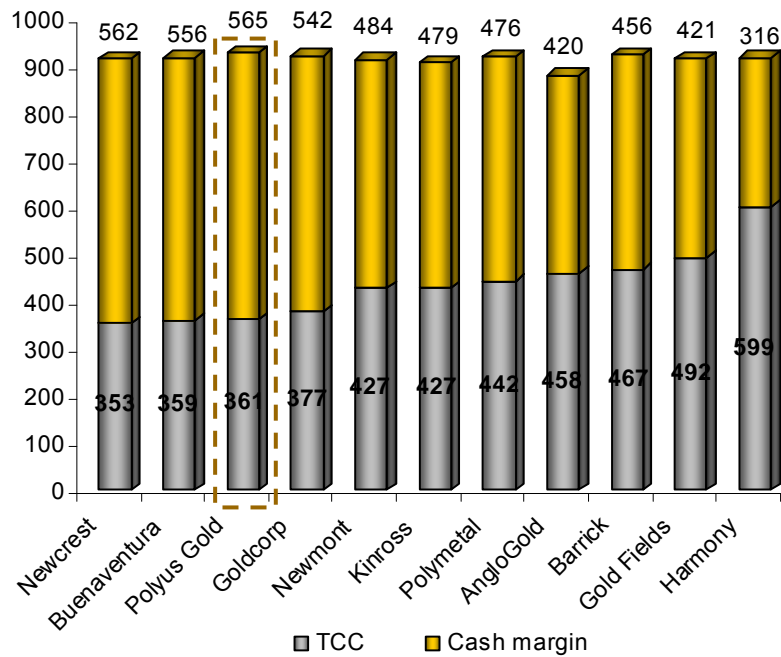
Zapadnoye mine:

- Maintained the stable level of production compared to 1H2008.

Kuranakh mine:

- Increase in gold grade of ore processed (up to 1.52 g/t).

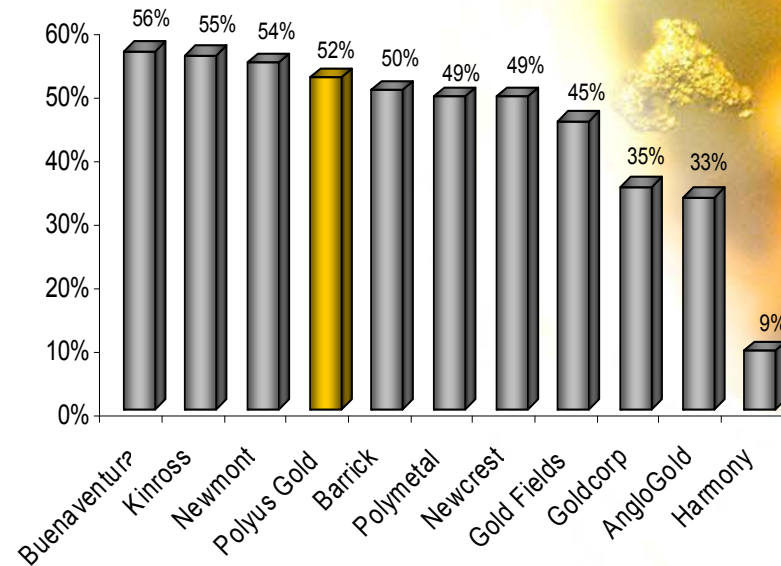
TCC and cash margin* of world's leading producers in 1H2009, USD/oz



- Ranking 3rd among the global gold miners in terms of TCC;
- Largest cash margin in the industry.

* Calculated using the companies' average gold selling prices in 1H2009.
Source: Companies' web-sites.

Peer comparison – gross margin, %



- Among global leaders in terms of gross margin.

Projects update: Titimukhta

Highlights of the feasibility study:

Mine life	2009 – 2021
P&P reserves	2.2 m oz at 3.3 g/t
Mill capacity	2.2 mtpa
Recovery	88%
Average annual gold production	170 k oz
Capex (ex VAT)	US\$ 98.7 million
Average TCC	260 US\$/oz



Facts:

- 9 km from the Olimpiada mine;
- Nov 2007 – the feasibility study approved by the BoD;
- July 2008 – JORC reserves audit completed;
- January 2009 – permitting completed;
- The Titimukhta's ores are processed at Mill-1 of the Olimpiada mine.

Commissioning in time and on budget
 April 2009 – mining started
 1H2009 – 17 k oz produced

Highlights of the feasibility study:

Mine life	2010 – 2031
P&P reserves	9.9 m oz at 2.3 g/t*
Mill capacity	6 mtpa
Recovery	88.6%
Average annual gold production	412 k oz
Capex (ex VAT)	US\$ 390.2 million
Average TCC	244 US\$/oz



1H2009 CAPEX update:

- Mill construction in progress;
- Site for tailings dam and diversion facilities prepared;
- Mining and transport equipment supply in progress;
- Camp and canteen construction completed;
- Coal power plant is under construction;
- Water pipe laying;
- Power grid and roads constructed;
- Percentage of readiness of different objects varies from 60 to 100%;
- 43% of budgeted investments drawn @ 1/07/09.

Commissioning in time (2H2010)

Highlights of the feasibility study:

Mine life	2011 – 2024
P&P reserves (exploration underway)	1.7 m oz at 3.0 g/t
Mill capacity	2.2 mtpa
Recovery	86.9 %
Average annual gold production	183 k oz
Capex (ex VAT)	US\$ 249 million
Average TCC	281 US\$/oz

1H2009 CAPEX update:

- Mining started;
- Camp and canteen construction completed;
- Works on main building and crushing plant in progress;
- Core mining and transport equipment acquired;
- Road construction began;
- Tailings facilities preparation in progress;
- 25% of budgeted investments drawn @ 1/07/09.



Commissioning in 2011



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Projects update: Nataalka New development plan

In Feb 2009 the amended plan of Nataalka development prepared by Polyus team, approved by the BoD in Mar 2009.

Mine life	2013 – 2041
P&P reserves	40.8 m oz at 1.13 g/t
Mill capacity	10 mtpa (2013-2017), 20 mtpa (2017-2021) and 40 mtpa (2022-2041)
Recovery	85 %
Av. annual gold production	1400 k oz
Capex (ex VAT)	US\$1.1 bln (1 st stage) + US\$1.1 bln (2 nd and 3 rd stages)

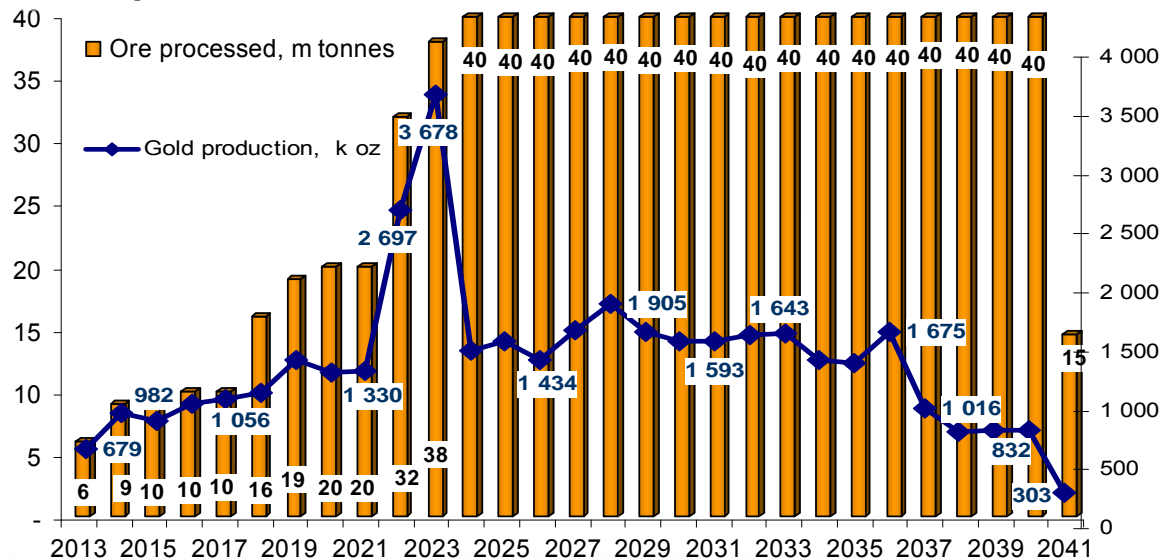
Rationale for the staged development:

- Insufficient power generating facilities;
- Insufficient power transportation facilities;
- Deterioration of the financial conditions.



Average TCC

340 US\$/oz



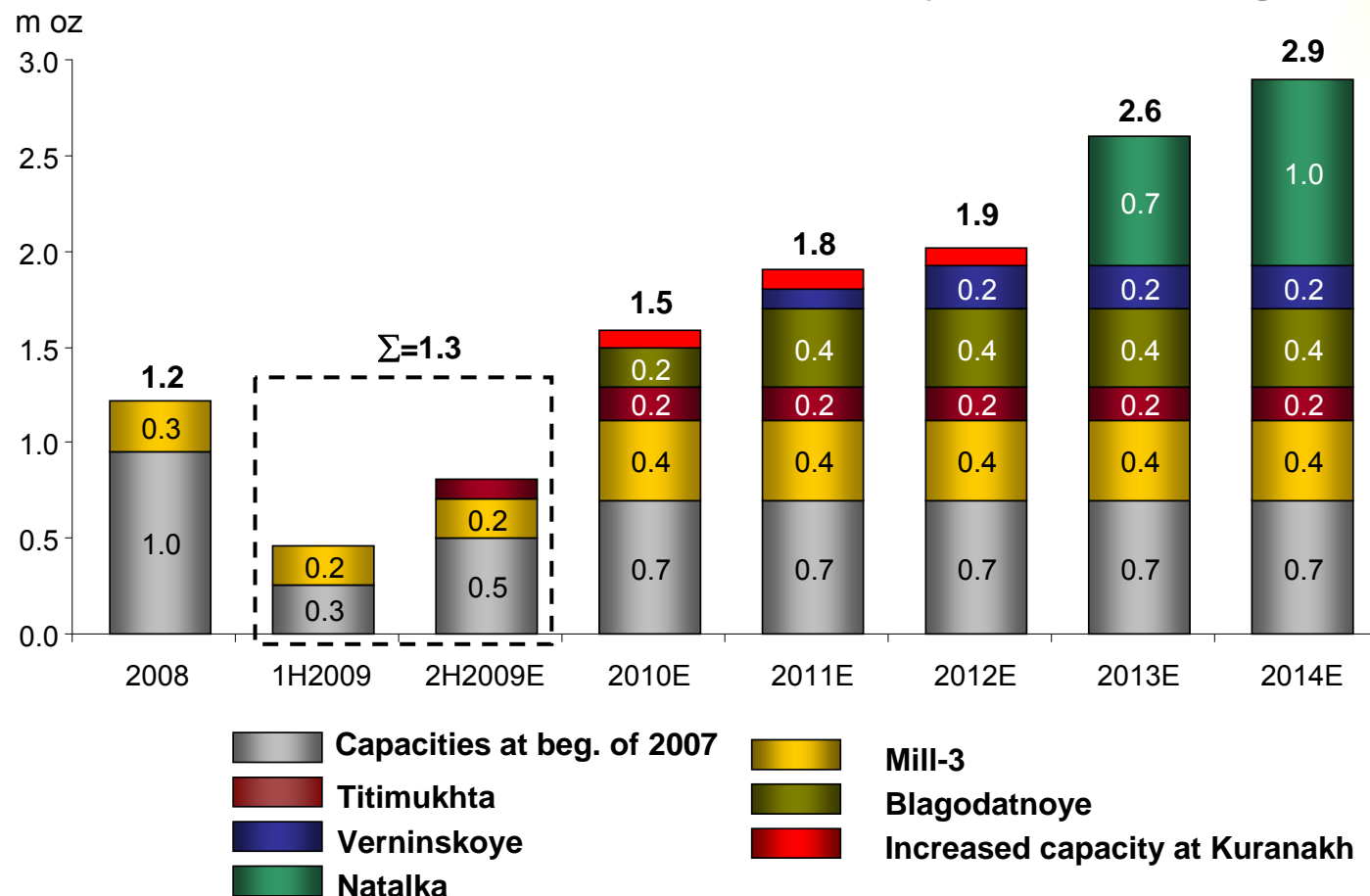
The plan will work on the following grades:

in 2013-2017 - 3.15 to 3.85 g/t

in 2018-2023 - 2.35 – 3.32 g/t

in 2024-2036 – 1.34 – 1.76 g/t

Approximately 140% output increase is expected to come from existing and approved development projects, excluding KazakhGold

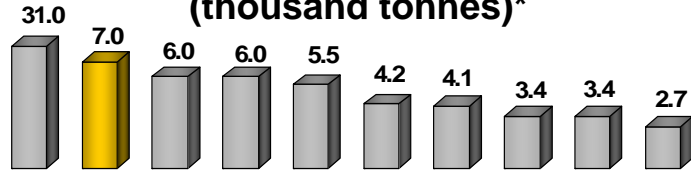


FURTHER UPSIDE POTENTIAL:

- + Nezhdaninskoye,
- + Chertovo Koryto,
- + Bamskoe,
- + Panimba,
- + Razdolinskoe/ Poputnenskoe.

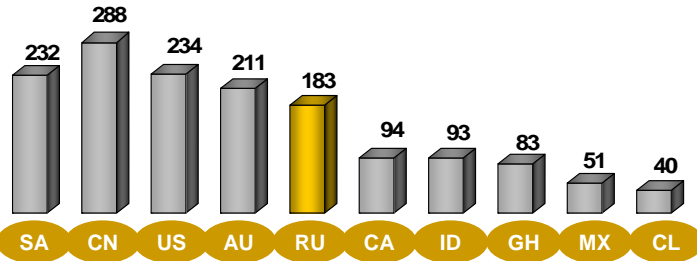
The production profile is ex. KazakhGold contribution.

Top-10 countries, reserve base (thousand tonnes)*



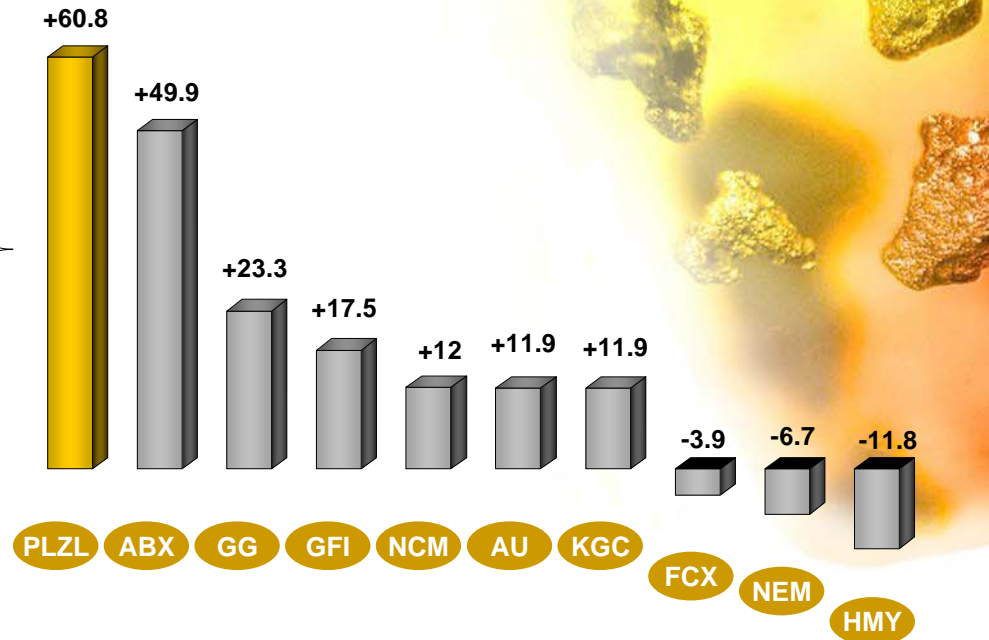
SA RU AU ID US CA CN CL MX GH

Top-10 countries, production (tonnes)*



SA CN US AU RU CA ID GH MX CL

2005- 2009 2P additions (m oz)



- 60.8 of 2P in 3 years
- Finding cost: < \$1 per ounce

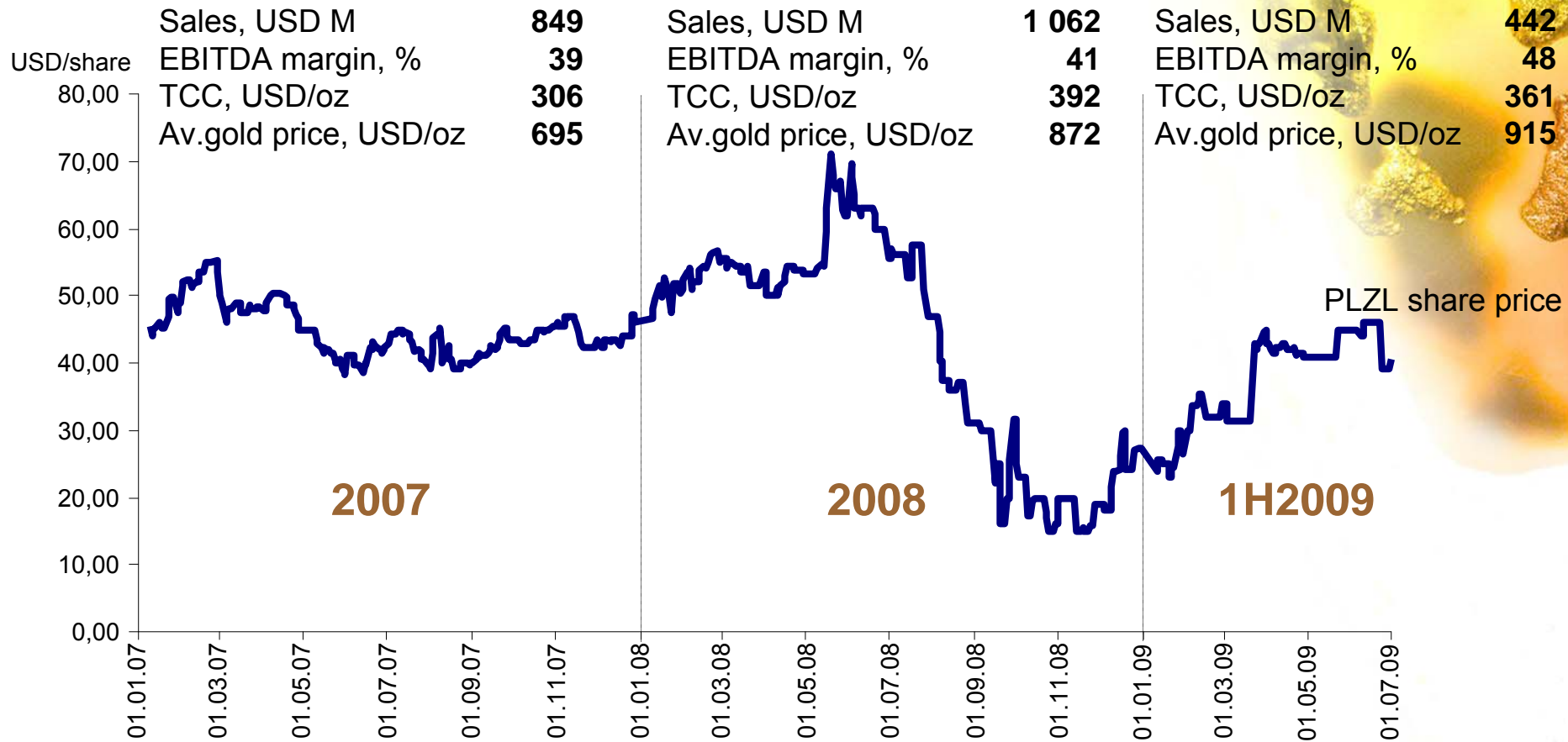
*Sources: U.S. Geological Survey, GFMS, companies' web-sites

PROJECT	STATUS
 <ul style="list-style-type: none"> ● Commissioning of Mill-3 at Olimpiada 	<input checked="" type="checkbox"/> Done
 <ul style="list-style-type: none"> ● Commissioning of Titimukhta 	<input checked="" type="checkbox"/> Done
 <ul style="list-style-type: none"> ● Expansion to CIS 	<input checked="" type="checkbox"/> Done
 <ul style="list-style-type: none"> ● Construction of Blagodatnoye 	<input checked="" type="checkbox"/> Near completion
 <ul style="list-style-type: none"> ● Construction of Verninskoye 	<input type="checkbox"/> Underway
 <ul style="list-style-type: none"> ● Construction of Natalka 	<input type="checkbox"/> FS underway



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Share performance vs. strong financials



- Successful completion of **KazakhGold** acquisition:
 - Polyus Gold becoming an international mining company with FSU focus;
 - Attractive deal conditions and excellent growth potential;
 - Strong and experienced new management appointed at KZG;
- Strong operational and financial results;
 - Increasing production and stable profitability level;
 - Hedge free - Debt free
 - Outstanding growth of the 2P reserves.
- Polyus met previously announced capacity expansion targets:
 - **Titimukhta**: successful launch in 1H2009;
 - **Blagodatnoye**: 50-100% readiness of all the facilities;
 - Re-launch of **Verninskoye** development project;
 - Development plan for **Natalka** approved by the Board;
- Favorable market conditions: strong gold price and devaluation of national currency.

