

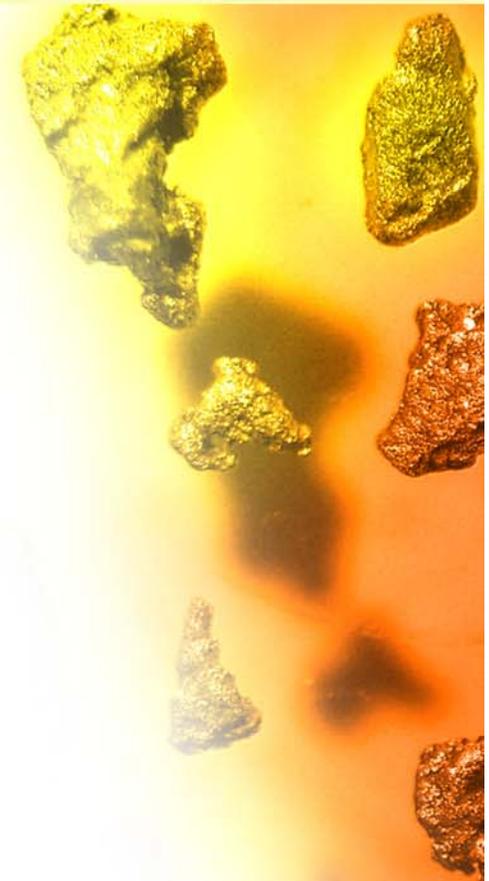


POLYUS

We know the worth of gold

Polyus Gold

**The BMO Capital Markets
2010 Global Metals & Mining Conference,**
*February 28 – March 3, 2010
Hollywood, Florida*



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Key messages

2009 operating results

Projects update

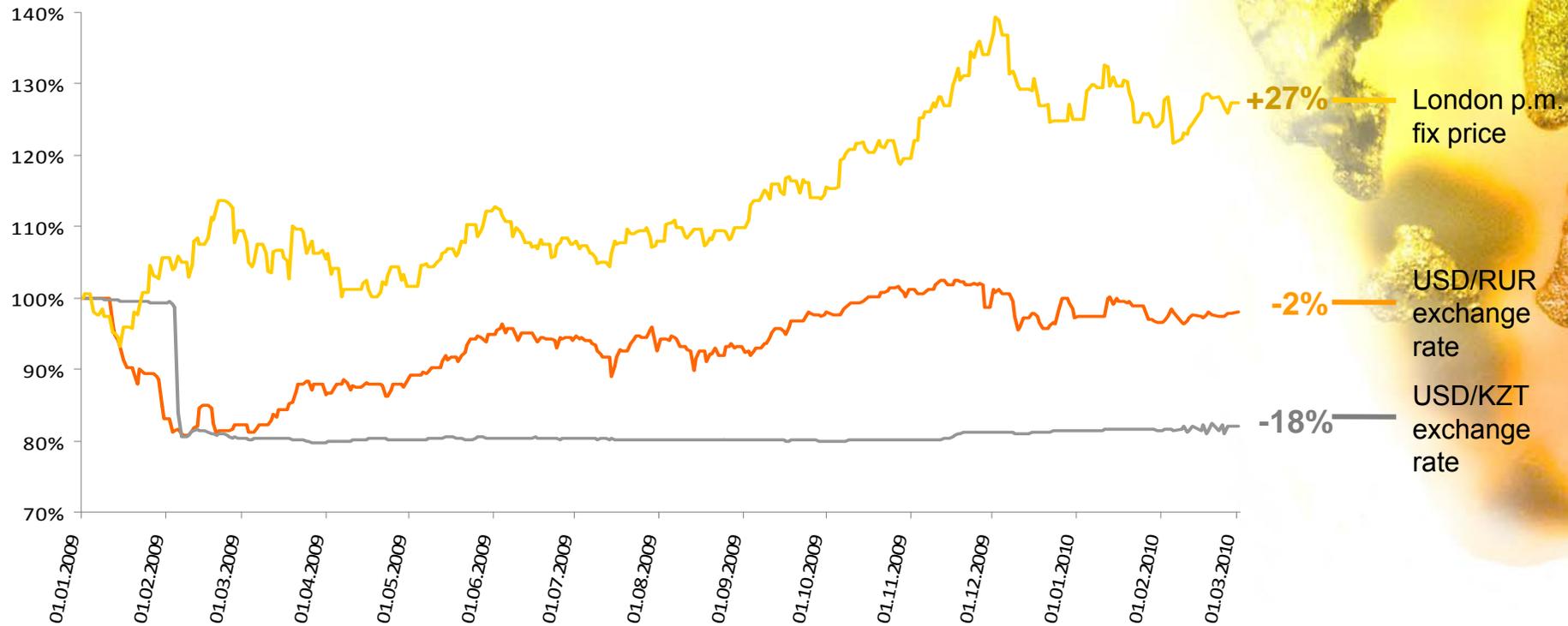


Polyus Gold key facts and operations

	2008	2009E	
■ Gold sales, \$M	1,062	1,204	13.4% YoY growth of revenue 26.3% 4-year CAGR
■ Gold production, M OZ	1.2	1.3	
■ TCC, \$/OZ	392	410-420	
■ EBITDA, \$M	436	510-540	
■ EBITDA margin, %	41	42-45	
■ JORC 2P, M OZ		74.1	
■ Hedge free			
■ Dividends policy strictly followed			



Gold price and exchange rates dynamics since 01/01/2009



	2008	2009	1 Mar 2010
Gold price (London p.m. fix)	USD 872/oz	USD 972/oz	USD 1117/oz*
Average USD/RUR	24.86	31.72	29.95
Producer Price Index	-7.0%	13.9%	—

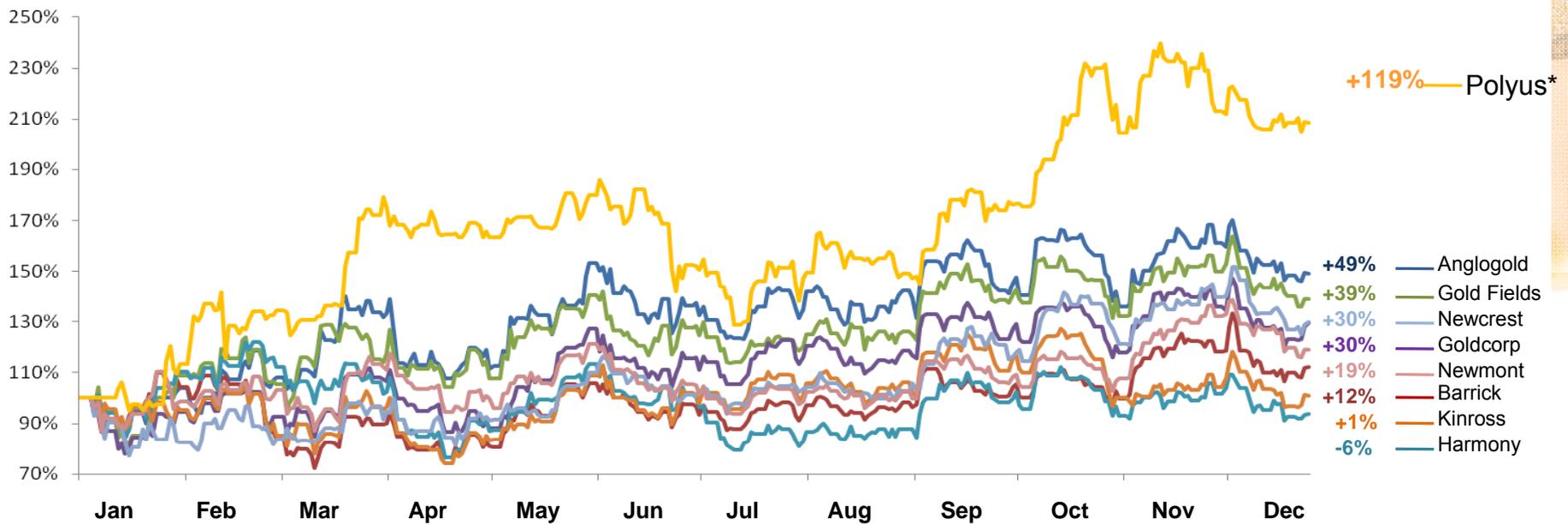
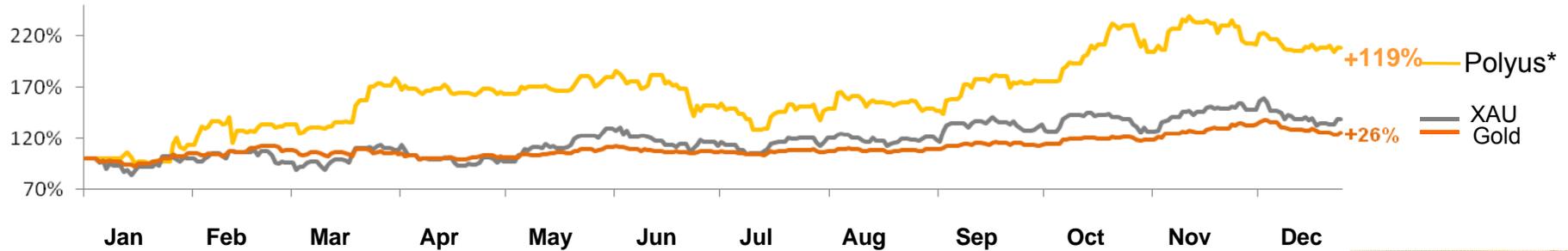
* A.m. fixing for this date available

Source: Central Bank of Russia, National Bank of Kazakhstan, London Bullion Market Association, Federal State Statistics Service of Russia.



We know the worth of gold

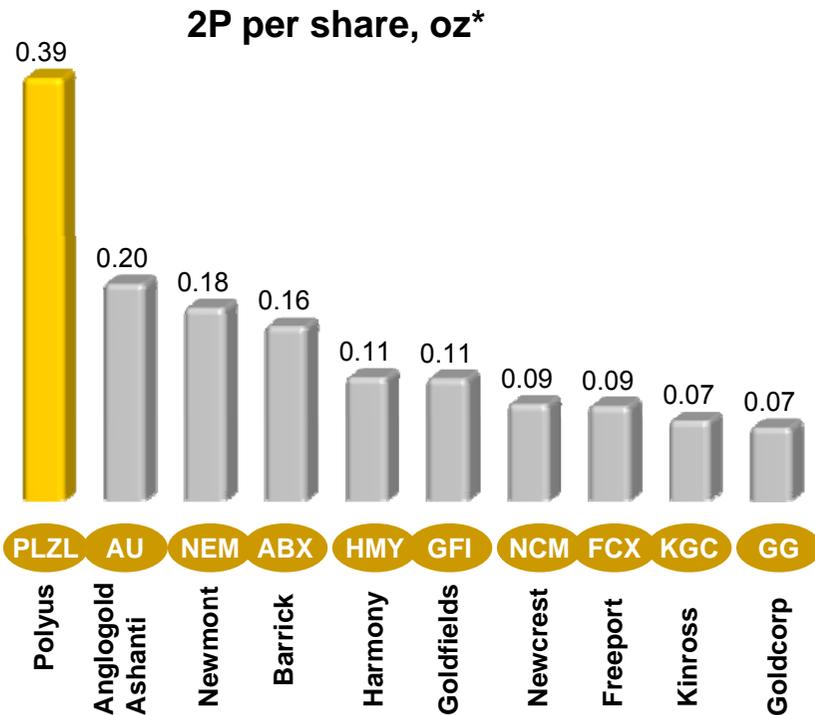
2009 Polyus share profitability



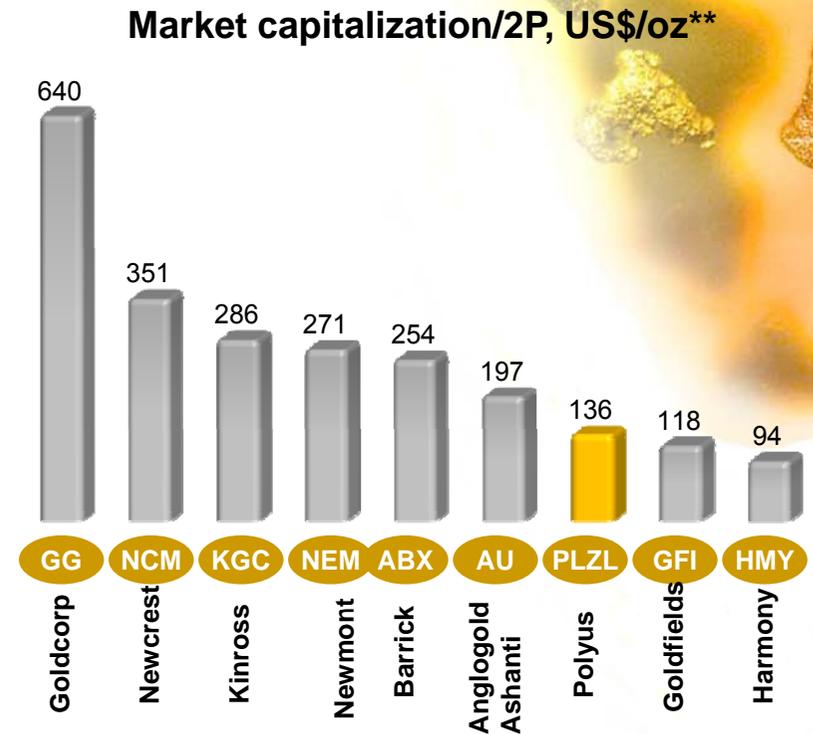
Polyus was the best performing company in 2009. It showed 119% profitability, far ahead of its peers and gold bullion.

P&P reserves per share

- 1 share of Polyus = 0.39 oz of gold
- Every **US\$1000** of investments in Polyus = 7 oz = **US\$8 000**



The largest in terms of 2P per share



One of the cheapest in terms of 2P

* Based on company data available at end of February 2010.

**Market Cap as of 01/01/10, reserves at the latest date available.



We know the worth of gold

One of the fastest growing gold miners

Since the company's going public in 2006 (throughput of 8.9 MTPA)
2 large-scale mining projects launched...



Olimpiada Mill-3: launched in 2007



Titimukhta: launched in 2009

...2 large-scale mining projects at advanced construction stage



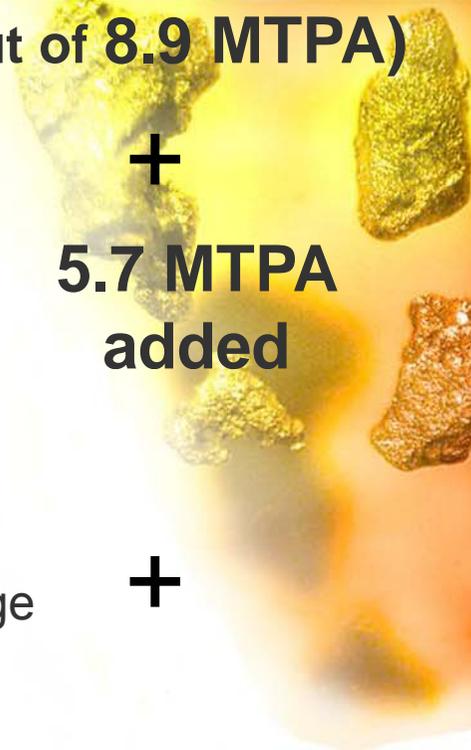
Blagodatnoye: to be launched in 2010



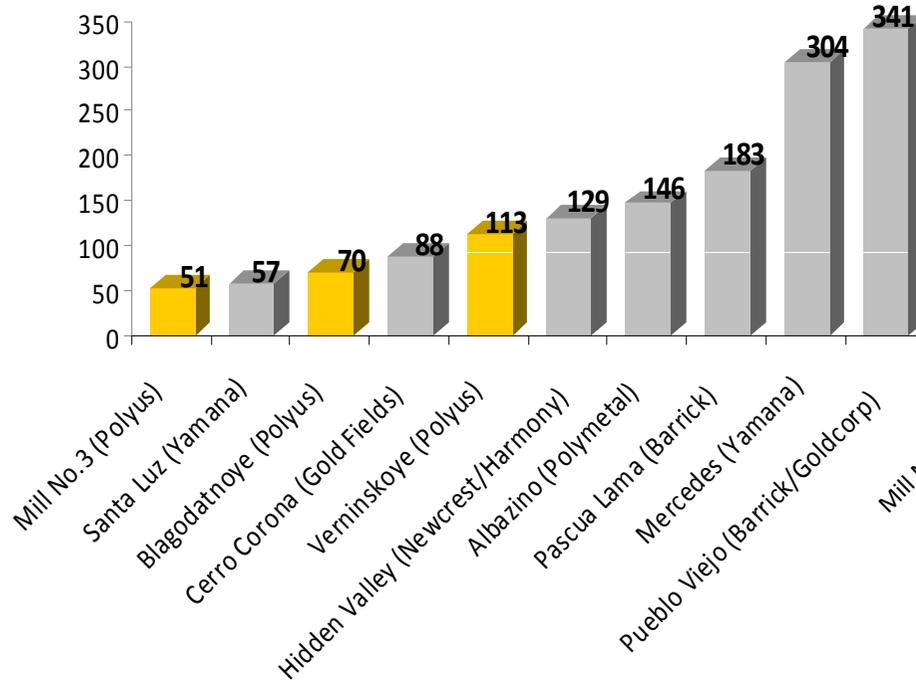
Verninskoye: to be launched in 2011

Current throughput of Russian peers: Polymetal – 7.6mtpa*, Petropavlovsk – 3.3 mtpa

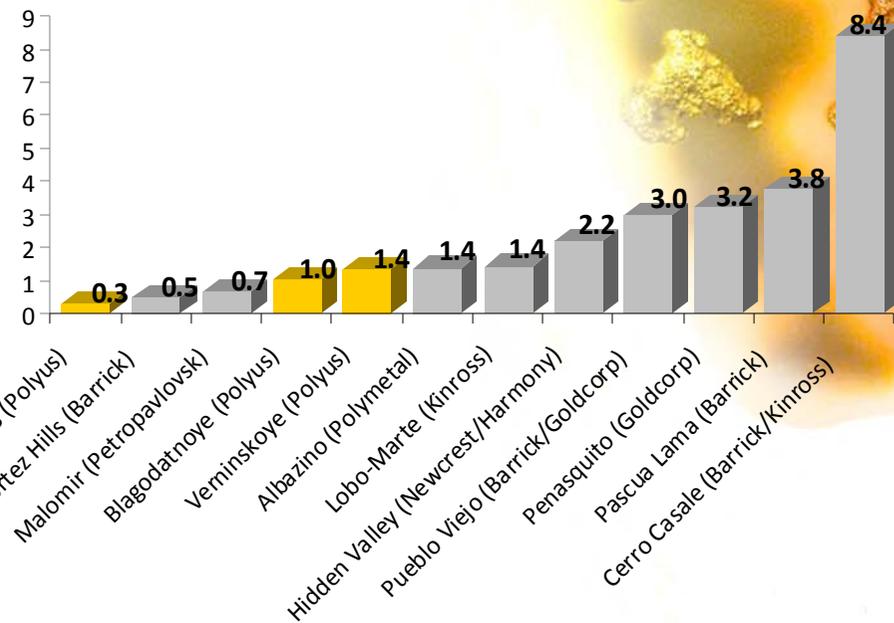
*At full capacity utilization of Varvarinskoe, which is not achieved yet



Capex/designed mill capacity, USD/tpa*

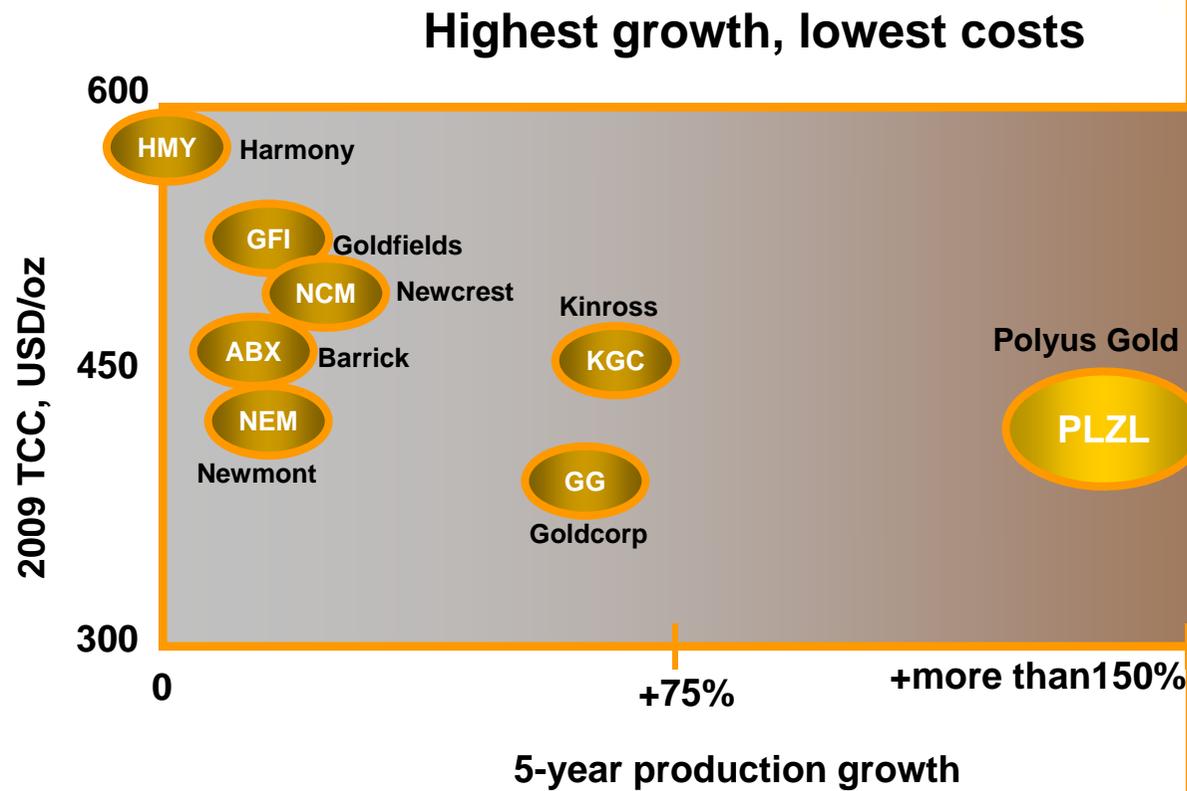


Capex/projected annual gold production, USD thousand/oz*



Polyus's costs of new mine construction are among the lowest on the list of upcoming development projects in the global gold industry.

*Source: Companies' web-sites.



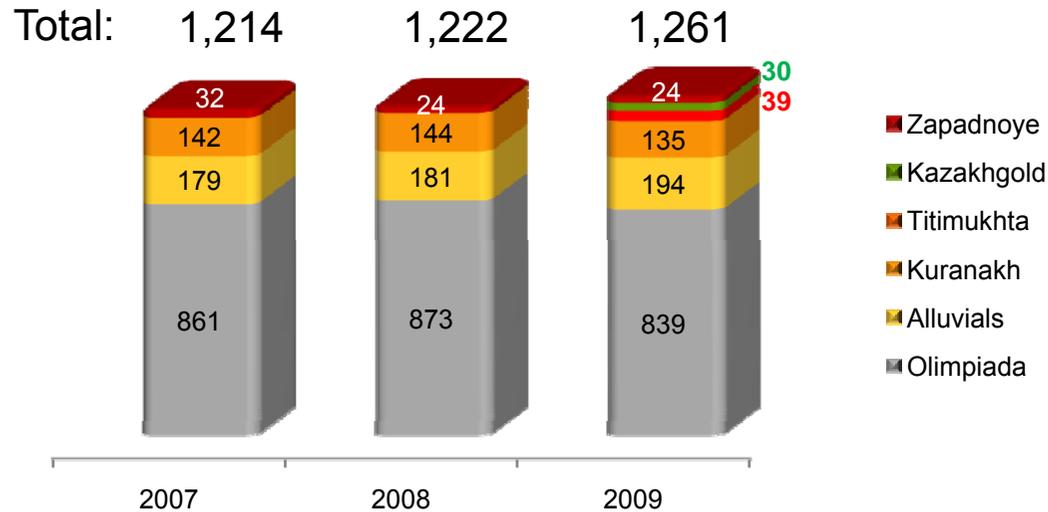
Key messages

2009 operating results

Projects update



Gold production, k oz*



In 2009 the Polyus Group produced **1,261 k oz** of gold, showing a 3.2% y-o-y increase.

Olimpiada mine:

- Transfer to production from refractory sulfide ores;
- Processing of various types of feed;
- Completion of Olimpiada expansion in the conditions of running production;
- Implementation of the program aimed at raising operating efficiency of Olimpiada.

Kuranakh mine:

- Modernization works carried out at the mine to be finalized in the 2Q2010

Alluvials:

- Acquisition of a new alluvial enterprise in 2008.

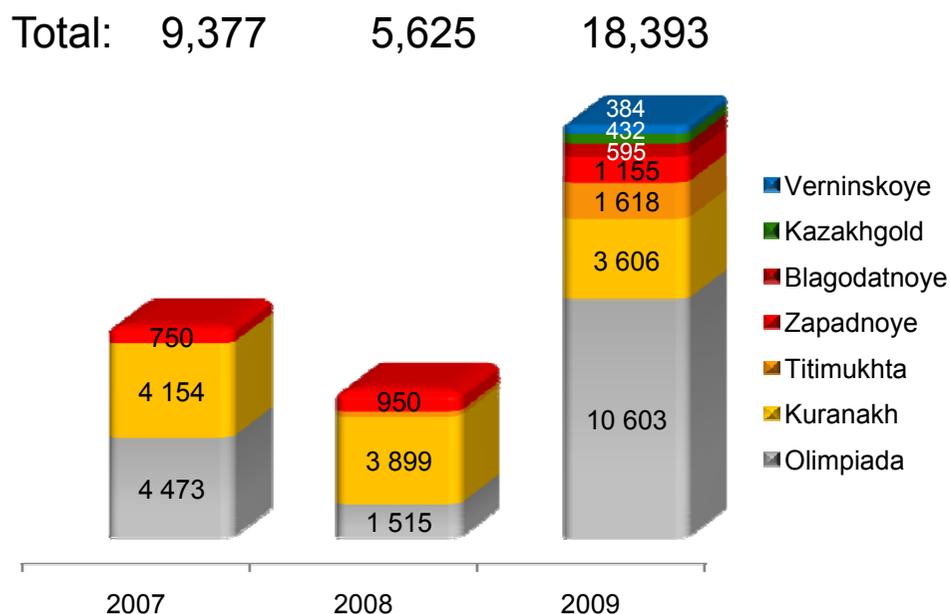
Zapadnoye mine:

- Stable production volumes at the level of 2008.

*Including gold produced by KazakhGold Group in August – December 2009 in a form of sludge, flotation and gravitation concentrate and other semi-products.

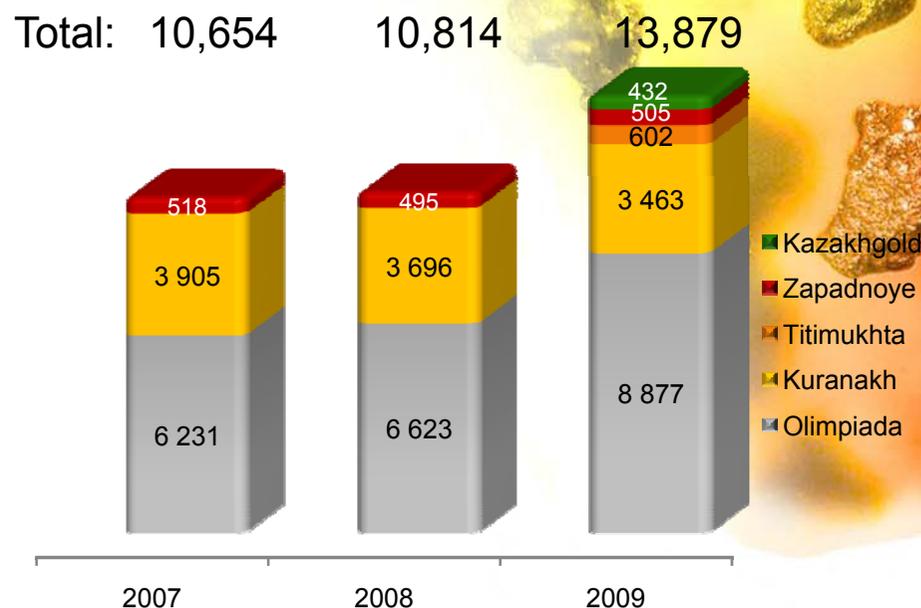
2009 results: ore mined and ore processed

Ore mined, k tonnes*



The multiple growth of ore mining is related to transfer to sulfide ores processing at the Olimpiada mine, as well as commencement of mining works at the Group's new projects – Titimukhta, Blagodatnoye and Verninskoye.

Ore processed, k tonnes*

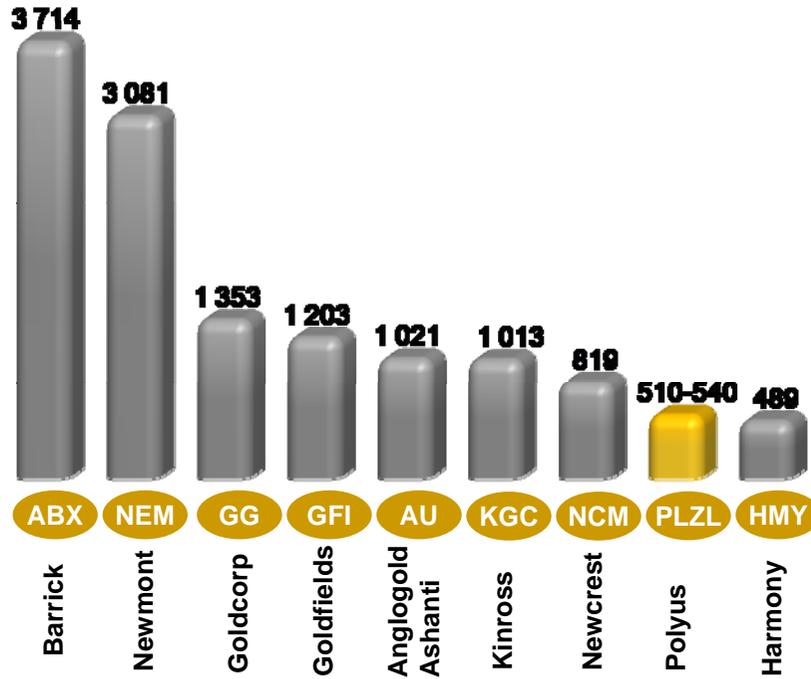


The increase in ore processing resulted from Mill-3 of the Olimpiada mine reaching its designed capacity.

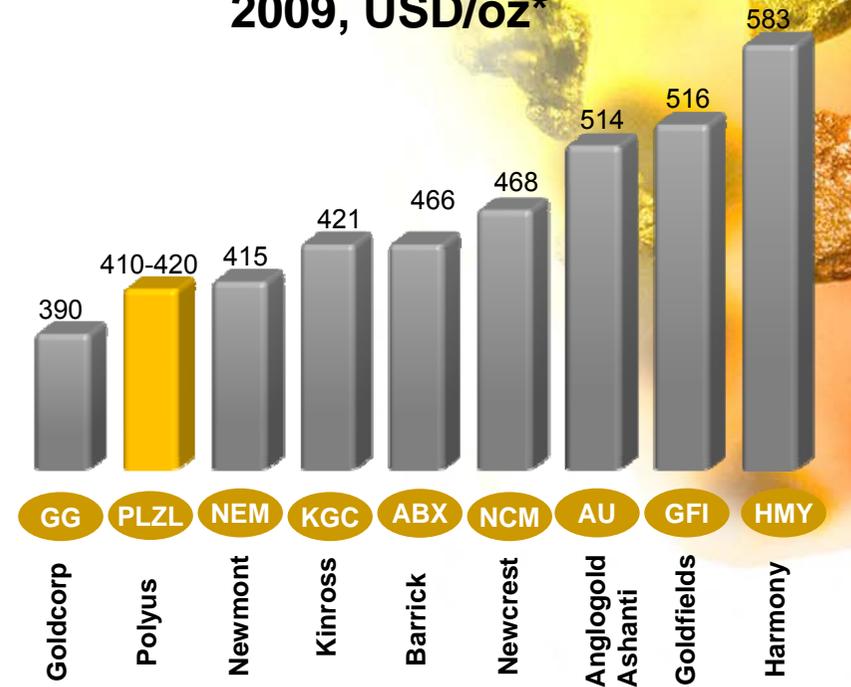
*Including the volumes of the ore mined and the ore processed by KazakhGold Group in August – December 2009.

2009 results: strong gold output at low TCC

EBITDA 2009 forecast, USD mln**



Total cash costs of the world's largest gold mining companies in 2009, USD/oz*



Growing gold price combined with effective cost control leads to high EBITDA levels.

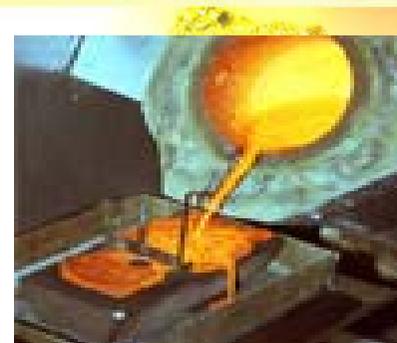
According to preliminary estimates, Polyus Gold's TCC in 2009 will be at the level of USD410-420/oz remaining one of the lowest in the global industry.

** Bloomberg forecast as of 11/01/2010, except Polyus Gold.

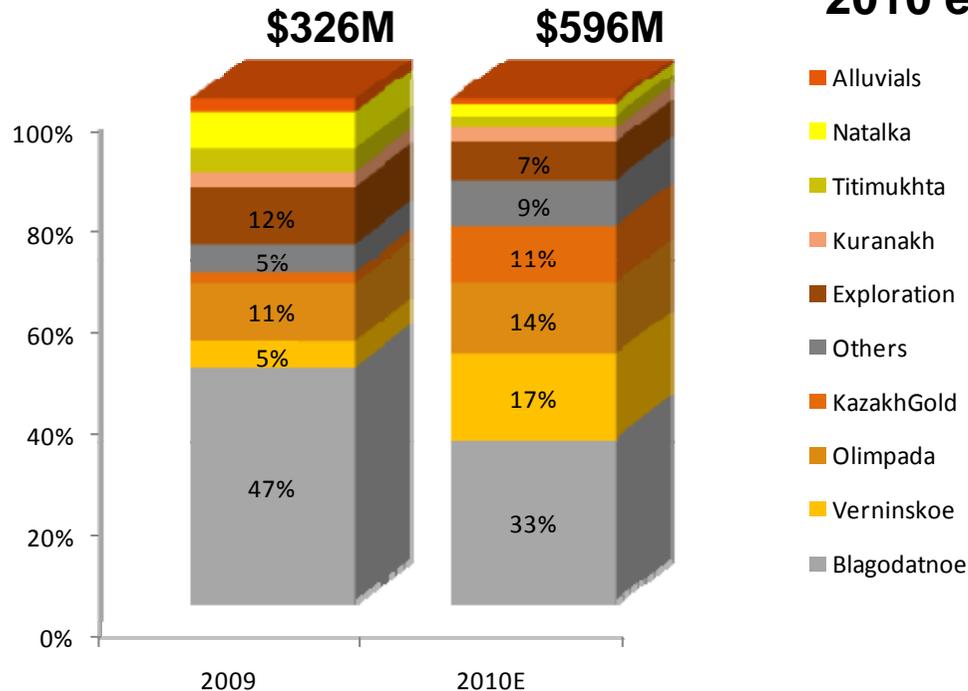
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Capital expenditures breakdown in 2009 and 2010 expectations, USD mln



Total Capex spent on maintenance of existing facilities and development of new projects in **2009** amounted to **USD 326 mln**. Capex expected in **2010** totals **USD 596 mln**.

The major part of investments in 2009 was allocated to:

- The Polyus Group's largest project – construction of the Blagodatnoye mine (47%);
- Modernization program at Olimpiada (12%);
- Financing of the exploration program (12%);
- As well as development of other key projects – Nataalka, Titimukhta, Verninskoye.

*Amounts of Capex were calculated using operating approach and may differ from the amounts in IFRS financial reports.

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\$ 419 million
Average TCC	244 US\$/oz



- **Main processing building:**
Mill and flotation plant installation underway
Metalware and frame filling assembled
Readiness of facilities varies from 50 to 100%;
- **Hydro-metallurgical workshop:**
Floor concreting in process;
Sorption and neutralization tanks installed;
Metalware and premises walls assembled.
- **Crushing plant**
Stock house constructed;
processing equipment installation underway
- **Coal power plant**
The boiler is launched
- **595 thou tonnes of ore mined in 2009**
- **One technological line already operational in a trial format**
- **2009 CapEx amounted to USD152 M**
- **2010 CapEx expected at USD 194 M**
- **Commissioning: mid 2010**

* Data according to the Reserves Audit completed by Micon Int. Co Ltd. In November 2008.

Projects update: Verninskoye

Highlights of the feasibility study:

Mine life	2011 – 2025
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

- Main processing building frame assembled and basement laid;
- Core mining and transport equipment acquired;
- 3 camps and a canteen construction completed;
- Power transmission lines constructed;
- Main works on the boiler house and coal warehouse completed;
- Tailings facilities preparation, road construction in progress;
- 1,340 thousand m³ of rock moved, 384 thousand tonnes of ore mined;
- **2009 CAPEX** amounted to **USD 17 mln**;
- **2010 CAPEX** expected at **USD 99 mln**.
- **Commissioning: 2011.**





We know the worth of gold

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
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:

- Power facilities only sufficient for Stage 1;
- High cost of borrowing due to credit crunch.

**Application for state financing of power generating and transportation facilities made
Group prepared to partly finance power infrastructure development**

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



**Project status:
Feasibility study and construction documentation completed.
Permitting to be completed by the end of 1H2010**

Nataalka development plan

Creation of new production facilities

- Preparation of the feasibility study:
 - submitted to the State Expertise Committee in Dec 09;
 - to be approved by the BoD in May 10
- Engineering and geological survey underway

Technology development at the Pilot plant

- Industrial testing implemented (ore milling parameters optimization, technology of sorption cyanidation of concentrates, etc.)
- 40 thousand tonnes of ore processed;
- Achieved recoveries: at gravitation stage: 55%; in floto-gravio-concentrate: over 90%
- Gold loss in tailings decreased to 0.53 g/t* (no correlation between higher gold grades of ore under processing and gold losses in tailing found)

Other

- Decommissioning of old production facilities;
- Prospective exploration at the Omchak ore cluster;
- Tailing pit reconstruction;



* 4 quarter 2009

2009 results: volume of drilling and mineral resources base

The total volume of drilling in 2009 equaled to **141.4 thousand meters**
Capex amounted to USD 39.2 mln.

Mineral resources base expansion

- **Bamskoye deposit :** **108 tonnes** (3.5m oz) of reserves listed with the State, (39 tonnes for open-pit + 69 tonnes for underground), Reserves additions amounted to 94.3 tonnes (3.0 m oz)

- **Nezhdaninskoye:** **628.6 tonnes** (20.2 m oz) of reserves listed with the State (611.6 tonnes for underground + 16.8 tonnes for open-pit) Reserves additions - 151.5 tonnes (4.9 m oz).

- **Olimpiada mine:** Expected reserves growth of **111.7** (3.6 m oz) (Reserves recalculation)

- **Verninskoe :** **126 tonnes** (4.05m oz) of reserves submitted to state listing

- **Total reserves growth :** expected at the level of **496 tonnes** (15.9 m oz).*

- **JORC audit planned in 2010:** Kuranakh, Verninskoye and Nezhdaninskoye

* Not including KazakhGold Group.

Projects update: KazakhGold

Gold production 2010E	128 k oz
Mineral Resources base	60 m oz
Cost of oz acquisition	13 USD/oz
Plans on exploration works	5.3 km in 2010, 8.1 km in 2011 (as result 10 m oz to be transferred from resources to reserves)
2010 Capex	~ USD 70 mln



■ Zholymbet:

- construction of hypochlorite preparation, tailings neutralization workshops and oxygen plant completed,
- capital and maintenance repair works at the workshops, administration building and the industrial area of the mine were done.

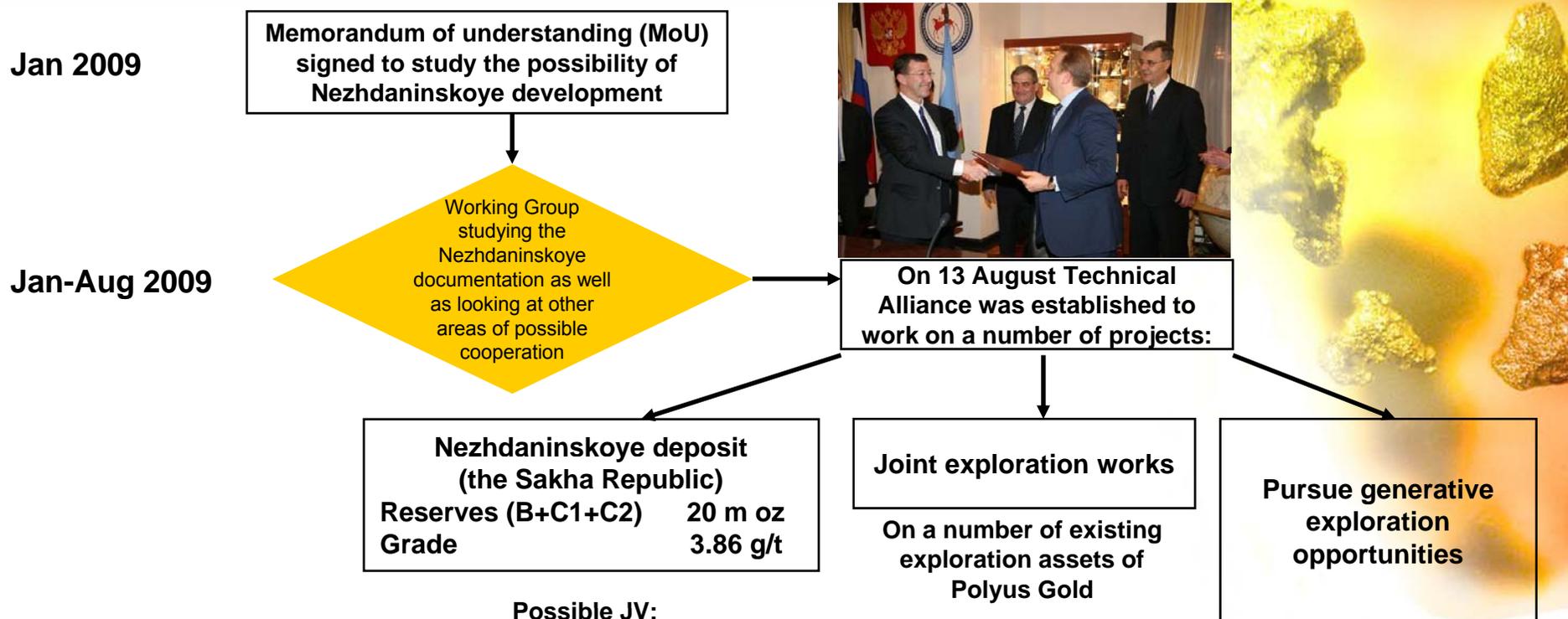
■ Bestobe:

- Capital repair of the Ventilyatsionnaya shaft done;
- the sludge line reconstructed;
- water cleaning system installed;
- administration complex overhaul completed.

■ Aksu:

- Shafts modernization completed;
- capital and maintenance repair works at a number of production and administration facilities were carried out.

Polyus and Kinross Gold: Expanding partnership

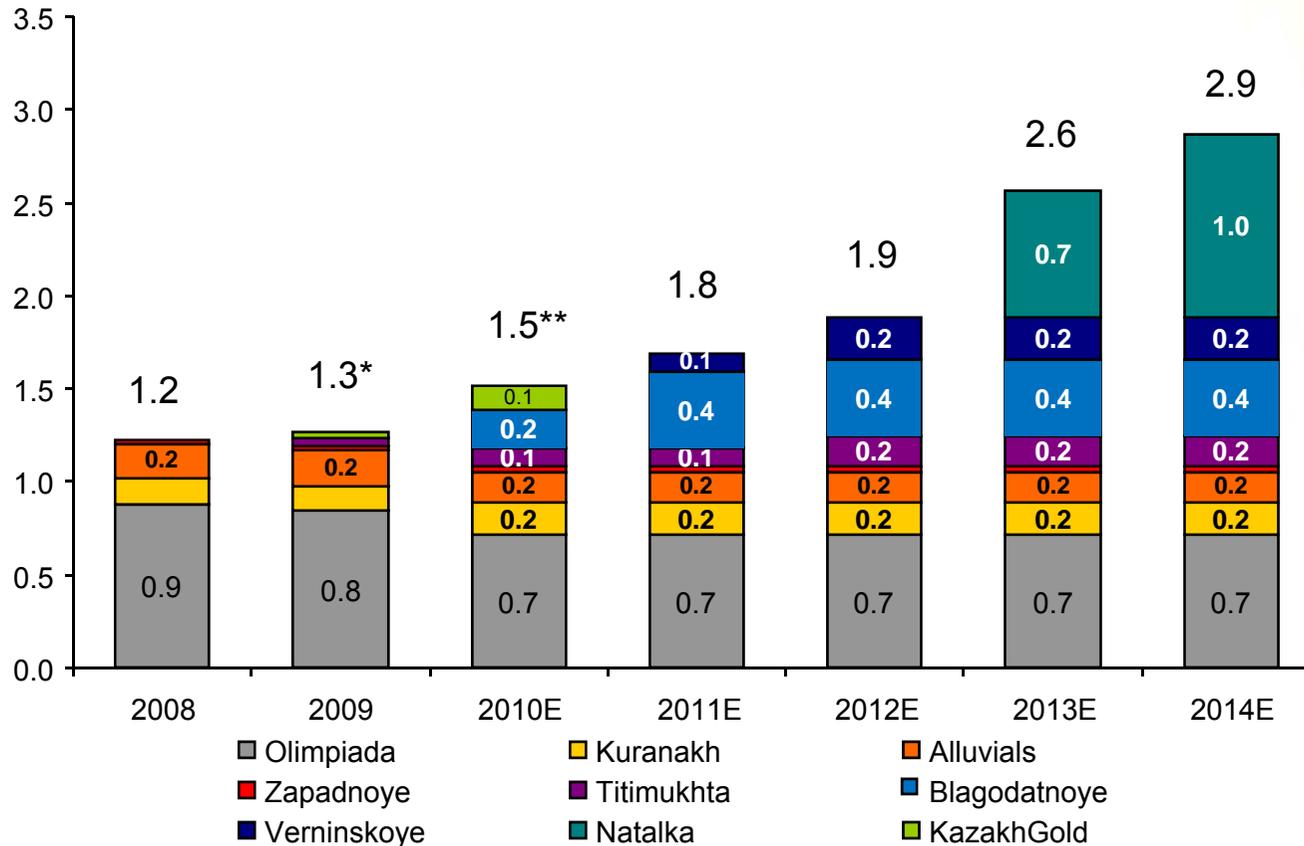


Possible JV:

- Polyus ownership: 51%, Kinross ownership: 49%
- Polyus contribution: the assets, maintenance costs financing, required support in terms of permitting and approvals from the state;
- Kinross contribution: financing (earn-in basis) and technical expertise;
- Polyus to operate the Nezhdaninskoye deposit.

Rationale: find the best solution to develop Nezhdaninskoye and jointly reach sustainable level of production at acceptable costs

Approximately 140% output increase is expected to come from operating mines and approved development projects



FURTHER UPSIDE POTENTIAL:
 + Nezhdaninskoye,
 + Chertovo Koryto,
 + Bamskoe,
 + Panimba,
 + Razdolinskoe/
 Poputnenskoe.

*Including gold produced by KazakhGold Group in August – December 2009.

** KazakhGold 2010 operating guidance – approx. 120 k oz . Guidances for 2011-2014 are to be provided later.

PROJECT	STATUS
 <ul style="list-style-type: none"> ● Commissioning of Mill-3 at Olimpiada 	 Done
 <ul style="list-style-type: none"> ● Commissioning of Titimukhta 	 Done
 <ul style="list-style-type: none"> ● Expansion to CIS 	 Done
 <ul style="list-style-type: none"> ● Construction of Blagodatnoye 	 Near completion
 <ul style="list-style-type: none"> ● Construction of Verninskoye 	 Under way
 <ul style="list-style-type: none"> ● Construction of Natalka 	 FS submitted for Gov approval; Construction permission pending





Why Polyus?

International company

Corporate conflict resolved

Growth leader

Strong margins

Low costs

No hedge

Favorable market



**No.1 in Russia
and
one of the best
positioned
gold miners
globally**