



We know the worth of gold

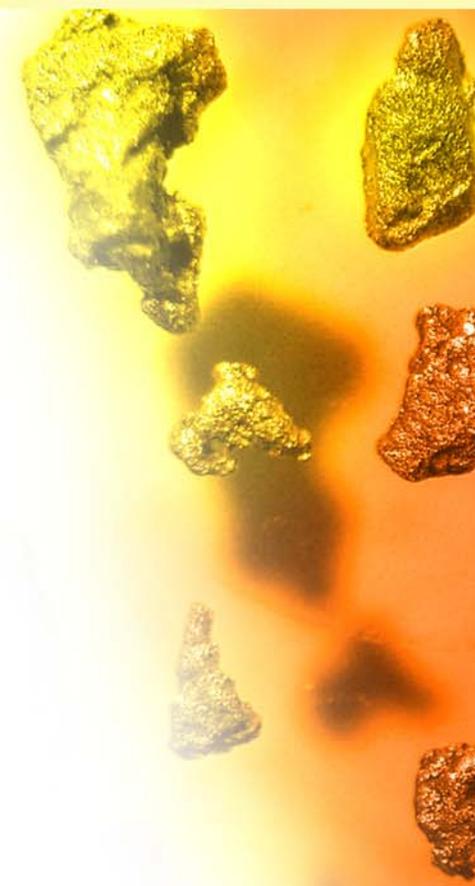
Polyus Gold

Evgueni Ivanov, CEO

Bank of America Merrill Lynch

Global Metals Mining & Steel Conference

11-13 May, Miami, Florida



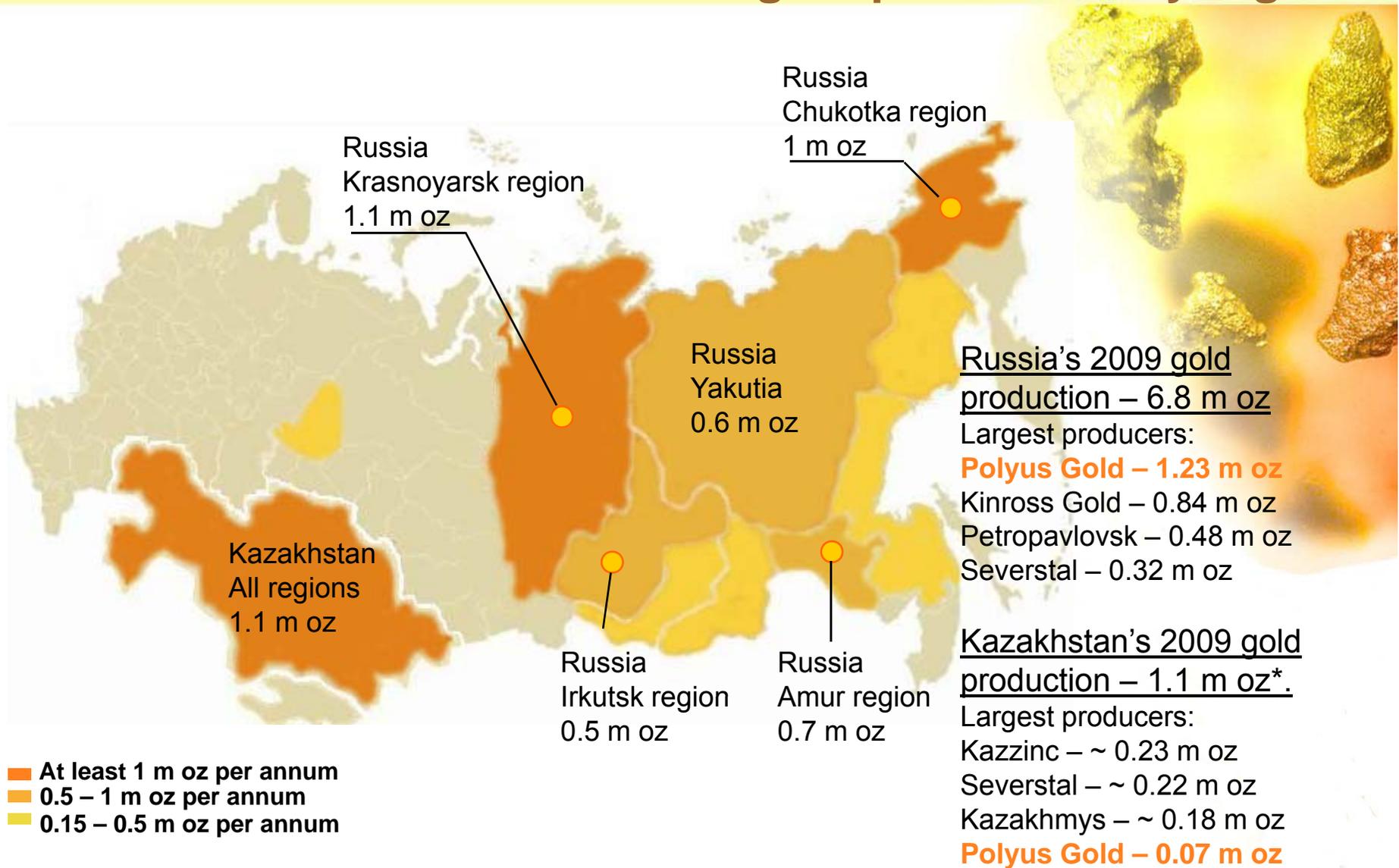
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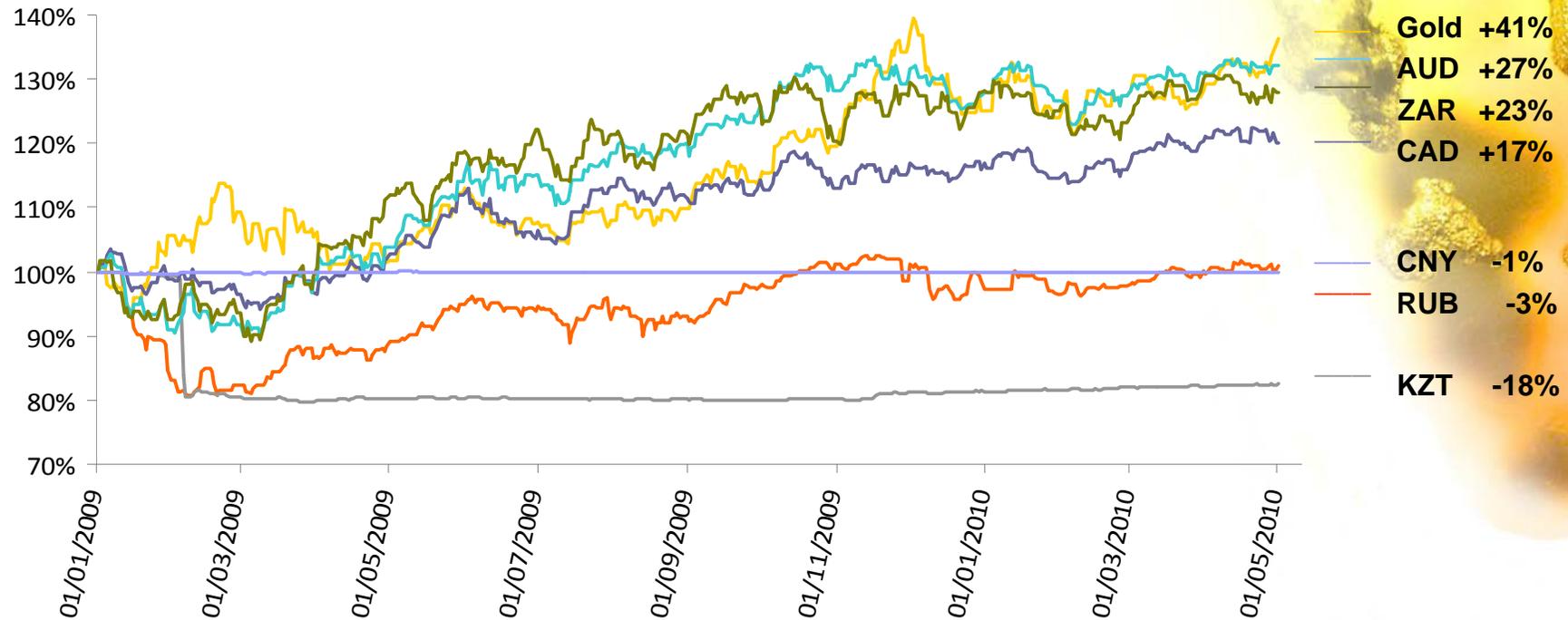
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Russia and Kazakhstan annual gold production by region



* Agency on statistics of the Republic of Kazakhstan (0.33 m oz – refined gold; 0.72 – gold in various semi-products)

Gold price and exchange rates (national currencies/USD) dynamics since 01/01/2009



	2008	2009	11/05/2010
Average gold price (London p.m. fix)	USD 872/oz	USD 972/oz	USD 1222.5/oz
Average USD/RUR	24.86	31.72	30.71
Producer Price Index	-7.0%	13.9%	-



We know the worth of gold

Key operations and facts

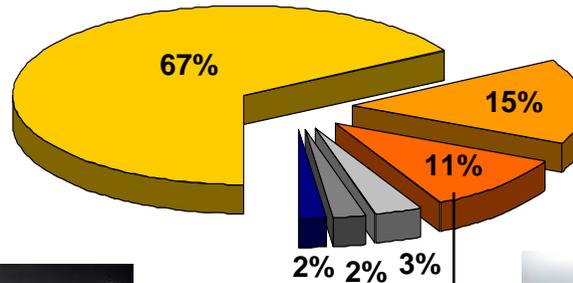
Polyus Gold key facts and figures:

- 7 producing mines + alluvial operations; 3 mines under construction, over 20 core projects
- Hedge free
- Dividends policy strictly followed
- Primary listing in Russia (MICEX, RTS); ADRs listed on LSE (main market)
- Free float: 20.4%

	2008	2009
Sales revenue, \$M	1,087	1,225
Gold production, M OZ	1.2	1.3
TCC, \$/OZ	392	391
EBITDA,\$M	436	549
EBITDA margin, %	41	45
JORC 2P, M OZ		74.1



Core producing assets



Olimpiada mine

2 BIOX plants
Capacity 8 MTPA
Krasnoyarsk region
2009 production: 839 k oz



Zapadnoe mine

Gravity and concentrate cyanidation plant
Capacity 0.8 MTPA
Irkutsk region
2009 production: 24 k oz



KazakhGold

3 producing mines
CIP and flotation plants + heap leaching
Max.capacity ~1 MTPA
Kazakhstan
2009 production: 30 k oz
(73 k oz for the full year)



Group of alluvial operations

Washing machines and draglines+ sluice enrichment
Capacity up to 10 mln m3
Irkutsk region
2009 production: 194 k oz



Kuranakh mine

RIP cyanide leaching plant + heap leaching
Capacity 3.6 MTPA
Yakutia region
2009 production: 135 k oz



Titimukhta mine

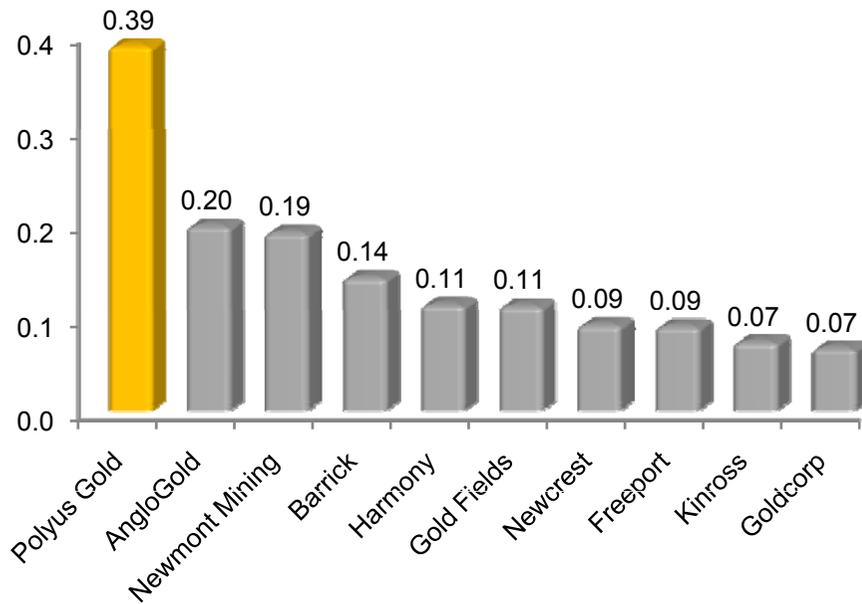
RIP cyanide leaching plant
Capacity 2.2 MTPA
Krasnoyarsk region
2009 production: 39 k oz



P&P reserves per share

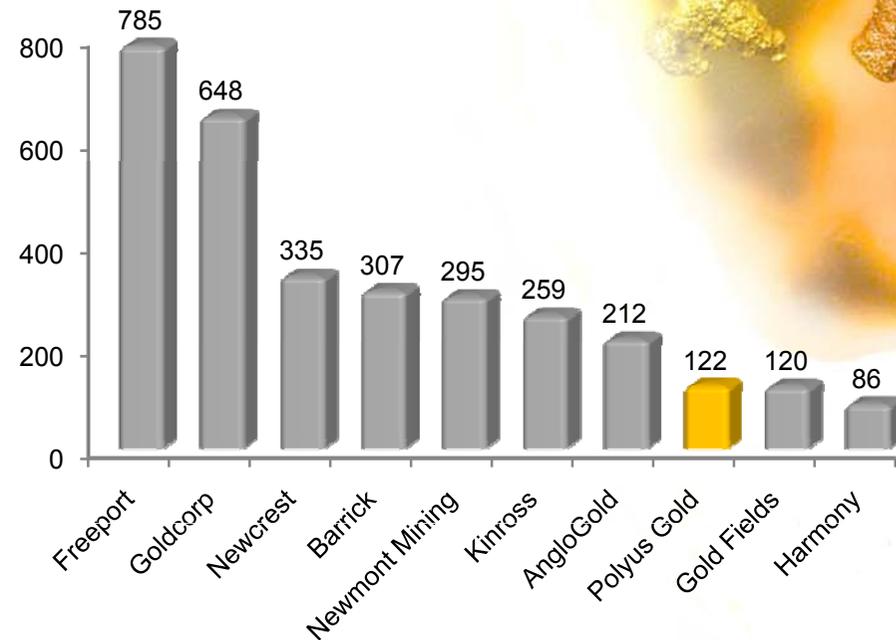
- 1 share of Polyus = 0.39 oz of gold
- Every **US\$1000** of investments in Polyus = 8 oz = **US\$9 500**

2P per share, oz*



The largest in terms of 2P per share

Market capitalization/2P, US\$/oz**



One of the cheapest in terms of 2P

* Based on company data available at 01/05/10.

**Market Cap as of 01/05/10, reserves at the latest date available. ⁷



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



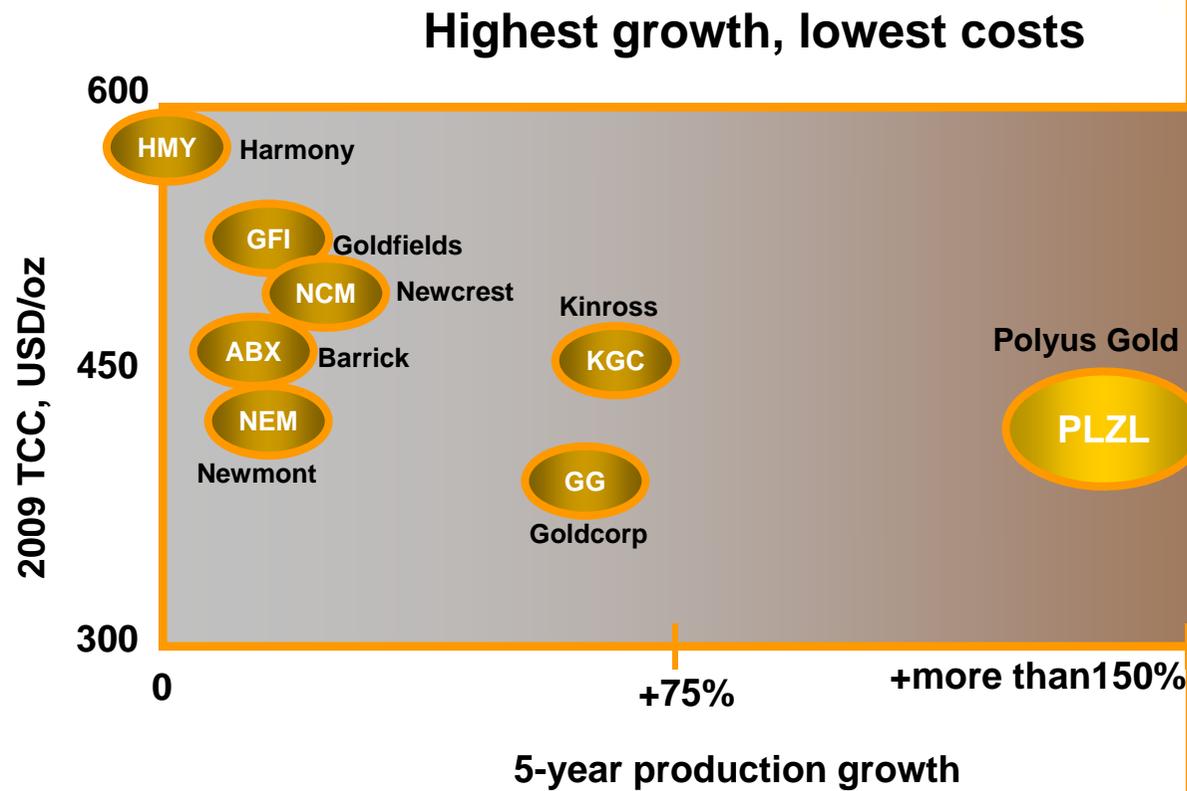
Verninskoye: to be launched in 2011

+

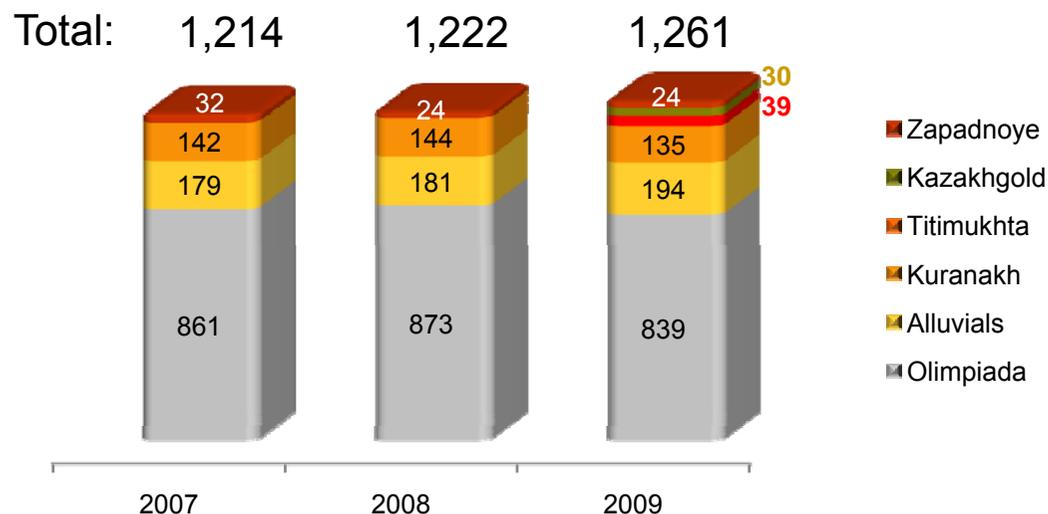
**5.7 MTPA
added**

+

**8.2 MTPA to
be added**



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.

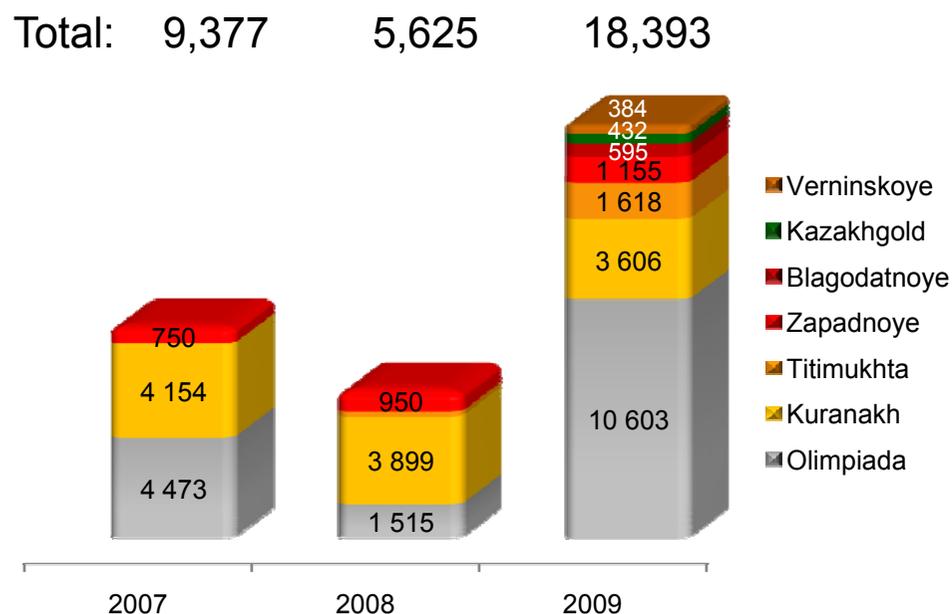
Zapadnoye mine:

- 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.

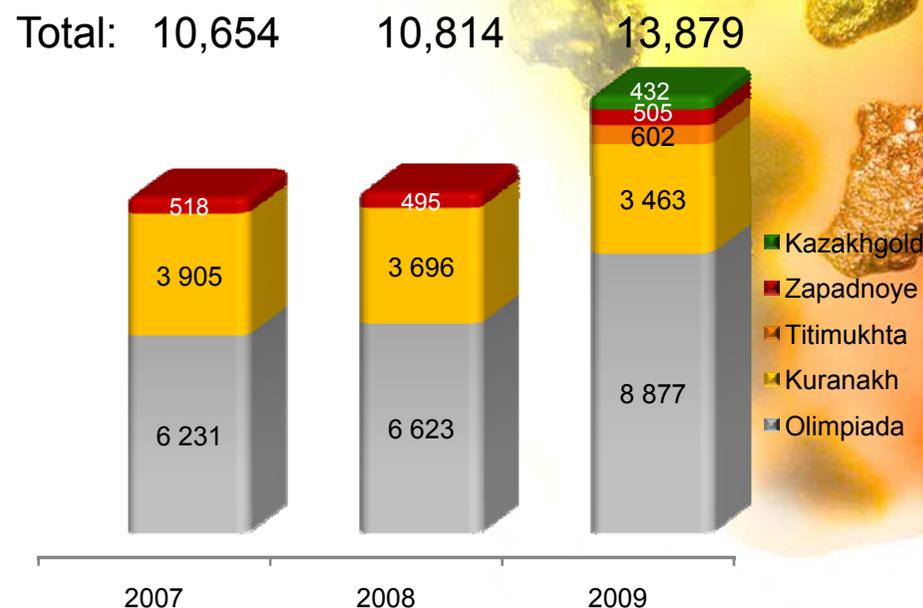
2009 results: ore mined and ore processed

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*

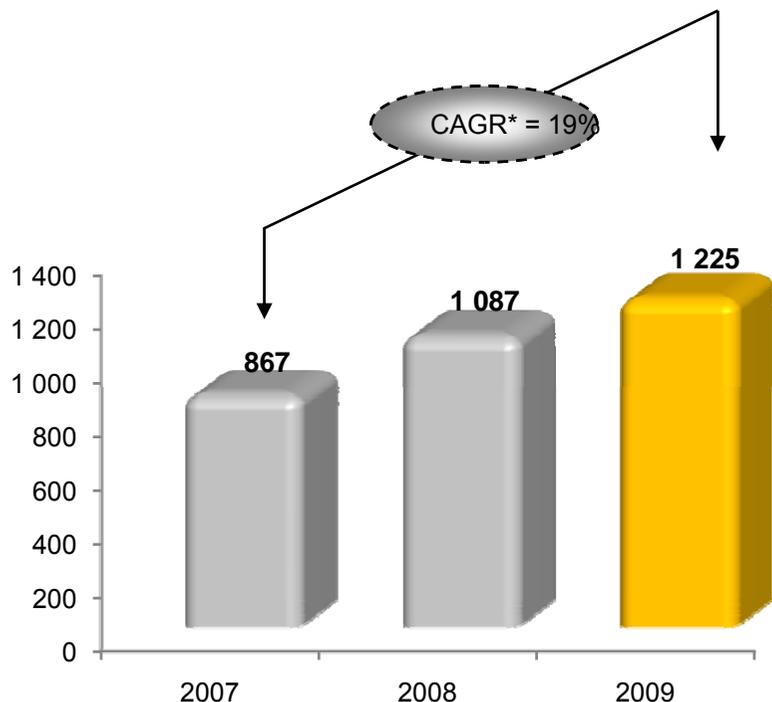


The increase in ore processing resulted from Mill-3 of the Olimpiada mine reaching its designed capacity.

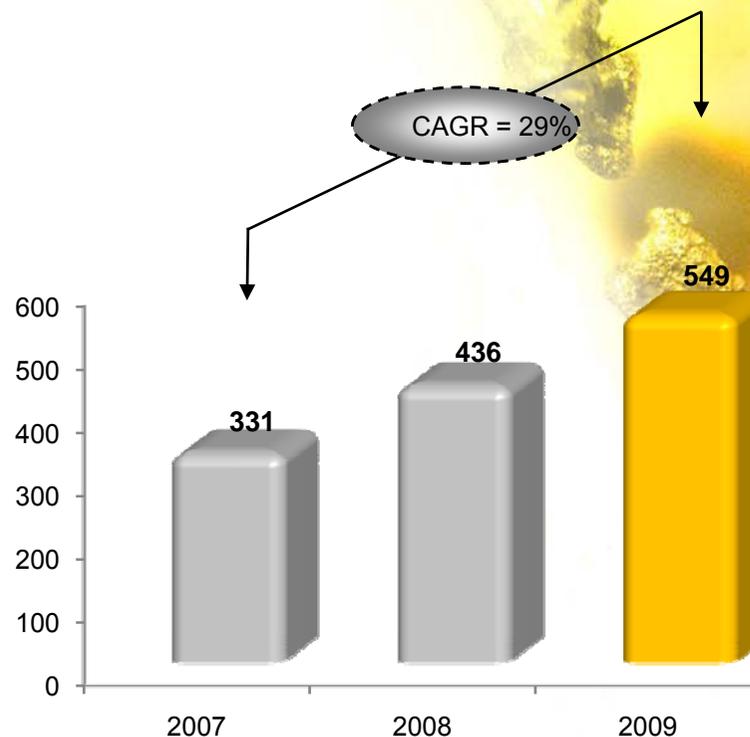
*Including the volumes of the ore mined and the ore processed by KazakhGold Group in August – December 2009.

2009 results: revenue and EBITDA are on historical high levels

Sales revenue, USD million



EBITDA, USD million



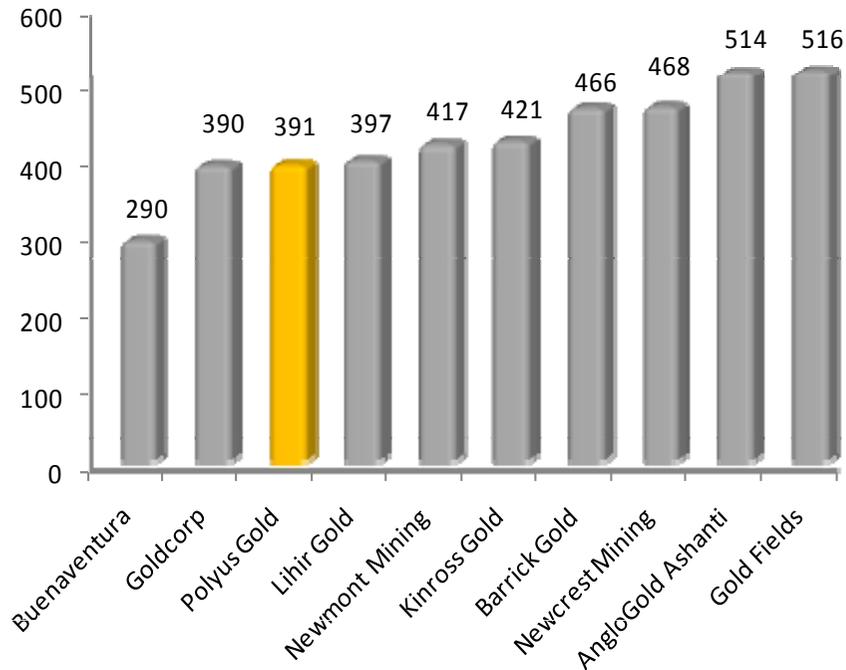
- Thanks to non-hedging sales policy, the gold price growth was fully reflected in Group's revenues, that showed a 13% YoY increase;
- 2-year CAGR amounted to 19%

EBITDA showed a 26% YoY growth, with a 2-year CAGR of 29%

* CAGR – Compound annual growth rate

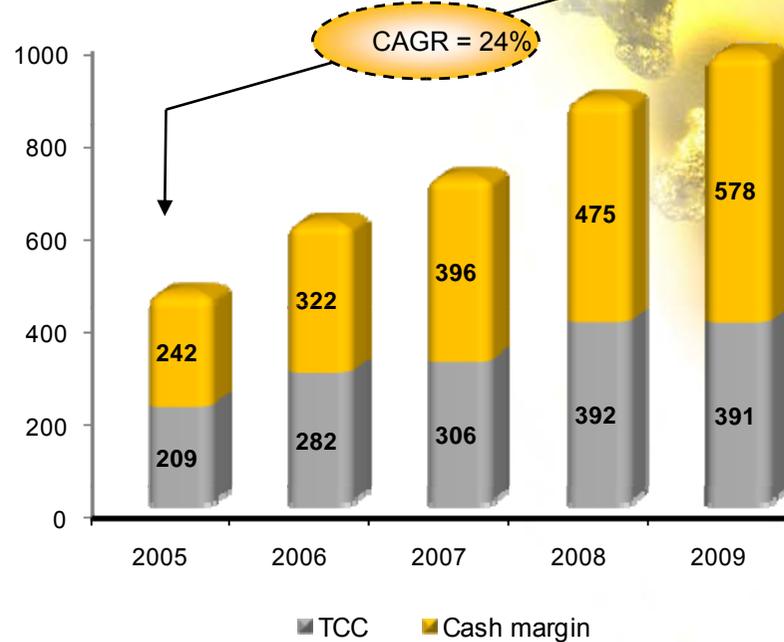
2009 results: expanding cash margin

TCC* of world's leading producers in 2009, USD/oz



Remaining a low-cost producer globally and one of the leaders in terms of cash margin.

Polyus Gold TCC and cash margin in 2004-2009, USD/oz

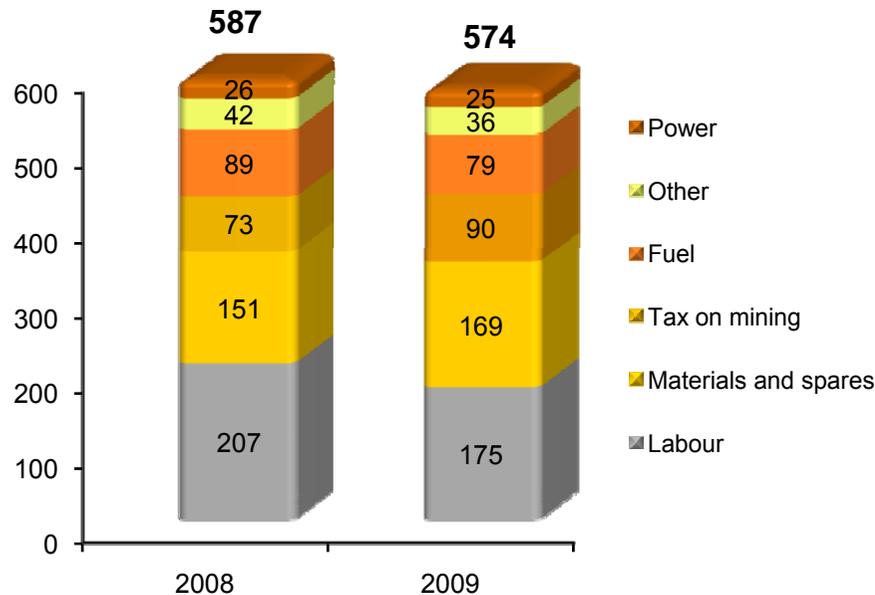


Growing gold price coupled with efficient cost control resulted in a 24% 4-year CAGR of the cash margin.

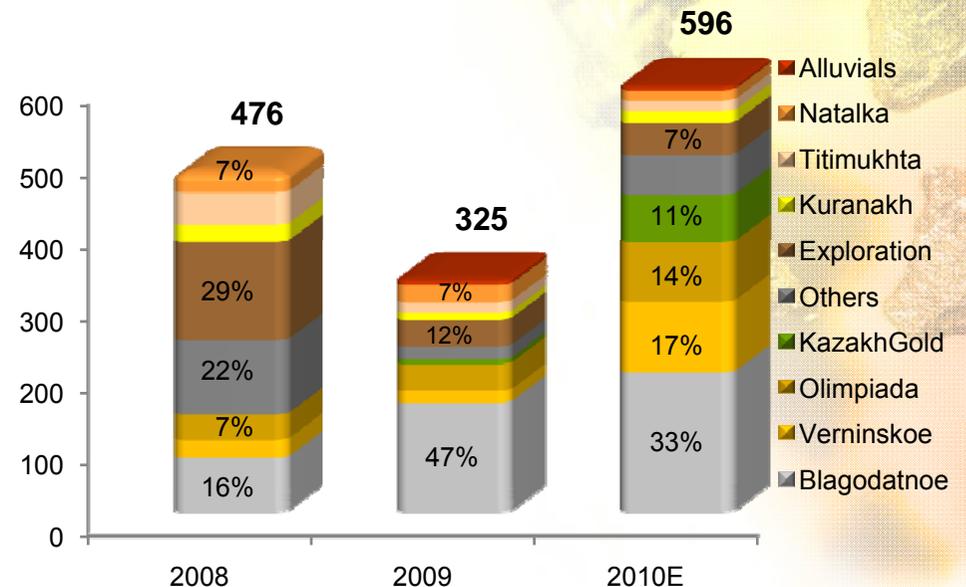
* Includes by-products for Buenaventura and Goldcorp

** Source: companies' data

Cash operating costs breakdown, USD million



Capital expenditures structure and 2010 outlook, USD million

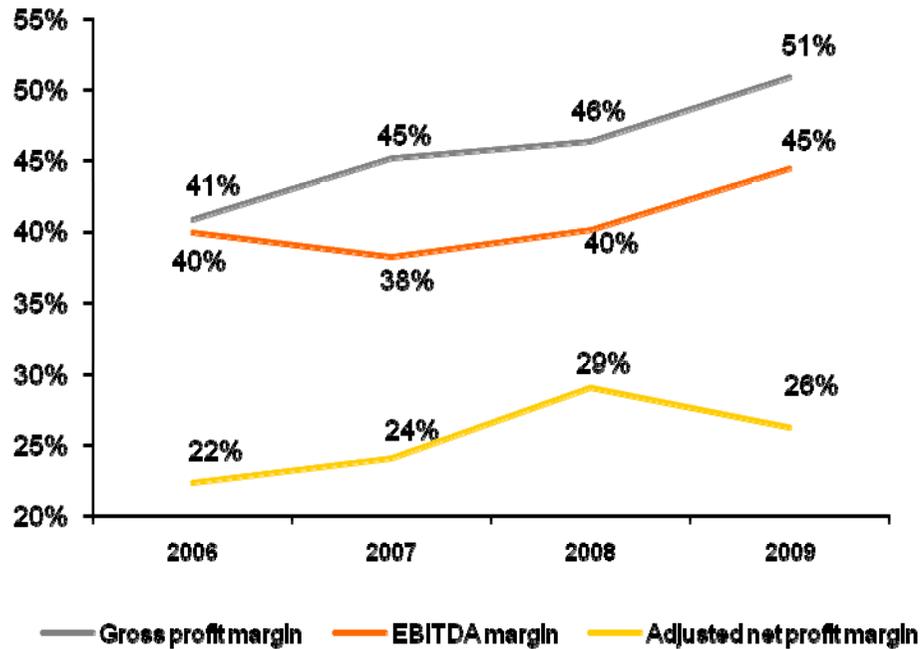


- **Labour expenses.** An increase in the average number of operating personnel following integration of KazakhGold was offset by the RUB depreciation;
- **Materials and spares.** The increase in ore processing coupled with the consolidation of KazakhGold purchases was graded by the decline in the purchase prices per unit;
- **Fuel.** The cost of fuel decreased by 11% following the decline in global prices for oil products;
- **Tax on mining.** The 24% increase is related to the gold selling price growth.

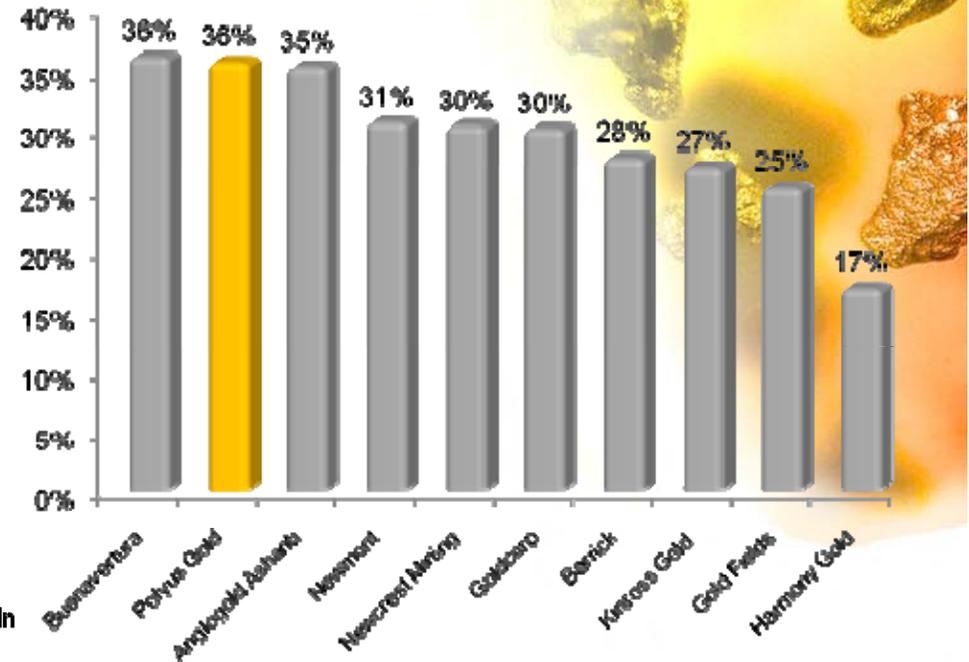
- Total Capex in 2009 - **USD 325 mln.**
- The major part of investments in 2009 was allocated to the Blagodatnoye mine; modernization of Olimpiada, exploration program and development of other key projects – Nataalka, Titimukhta, Verninskoye.
- Capex planned for **2010 - USD 596 mln.**

2009 results: profitability analysis

Polyus Gold key margins, %*



Peer comparison, operating margin, %**



Positive dynamics in gold selling prices on the one hand, and relatively low level of production costs on the other, lead to gradual improvement in profitability indicators.

A leader in terms of operating margin.

* For calculation of adjusted net profit refer to Management report 2009.

** Source: companies' annual reports.

*** Barrick and Anglogold operating profit adjusted for spendings on elimination of gold sales contracts.

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

First tonnes of crushed ore



- **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 USD194 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 M**;
- **2010 CAPEX** expected at **USD 99 M**.
- **Commissioning: 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
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

Projects update: upgrading of KazakhGold

3 producing mines: Aksu, Bestobe, Zholymbet

Reserves	10 m oz+*
Mills capacity	~ 1 MTPA
Recovery	70-83%
2009 gold production	73 k oz

Other facts

- One of the largest gold producers in CIS;
- LSE-listed and Jersey-registered entity;
- 7 subsoil use contracts in Kazakhstan;
- Well-developed infrastructure.

Development programme

- 2010-2015 Capex: ~ USD 600 M
- Upgrading of operating plants and productive capacities
- Start-up of capacities for underground and open pit mining
- Construction of heap leaching shops and new plants
- 2010 CapEx expected at USD 66 M (31 M for exploration and 35 M for development)
- 2010 year-end JORC 2P reserves – 8 m oz
- 2011 year-end JORC 2P reserves – 10 m oz

Aksu



Bestobe

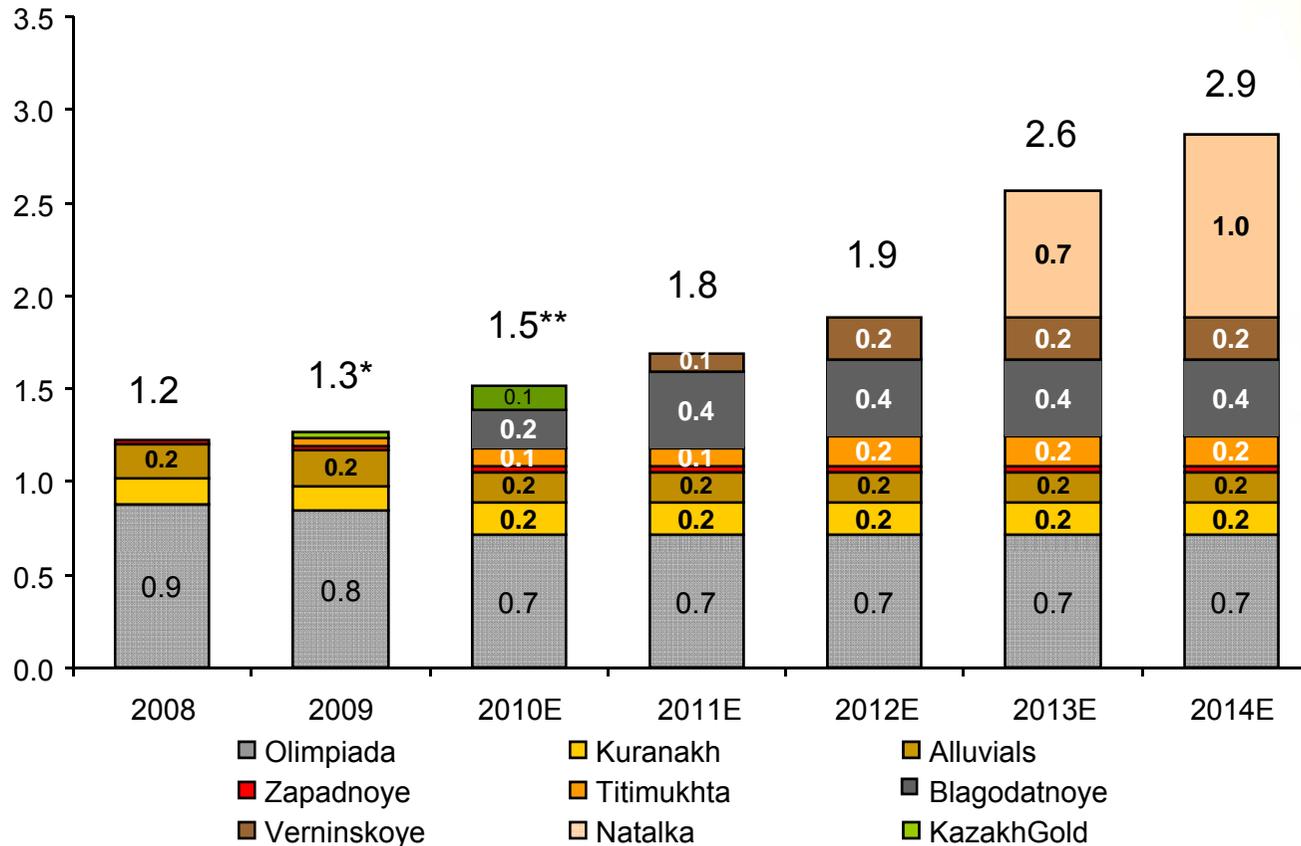


Zholymbet



*To be achieved by the end of 2011.

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



FURTHER UPSIDE POTENTIAL:
 + Nezhdaninskoye,
 + Chertovo Koryto,
 + Bamskoye,
 + Panimba,
 + Razdolinskoye/
 Poputnenskoye.

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

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

PROJECT	STATUS
 ● Commissioning of Mill-3 at Olimpiada	 Done
 ● Commissioning of Titimukhta	 Done
 ● Expansion to CIS	 Done
 ● Construction of Blagodatnoye	 Near completion
 ● Construction of Verninskoye	 Under way
 ● Construction of Natalka	 FS submitted for Gov approval; Construction permission pending



- **Strong operational and financial 2009 results:**
 - **Low TCC** due to decreasing cash operating costs;
 - **Strong margins;**
 - **Hedge free, cash positive;**
 - **Dividend policy strictly followed.**

- Successful completion of **KazakhGold** acquisition:
 - Polyus Gold has become an **international** company.

- All capacity **expansion targets met:**
 - **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;

- **Growth leader**

- **Well-balanced Board**

- **Favorable market** conditions: strong gold price and devaluation of the national currency.

- **Polyus Gold: No. 1 in Russia and one of the best positioned gold miners globally**

