

Polyus Gold

Preliminary operating results 1H2010

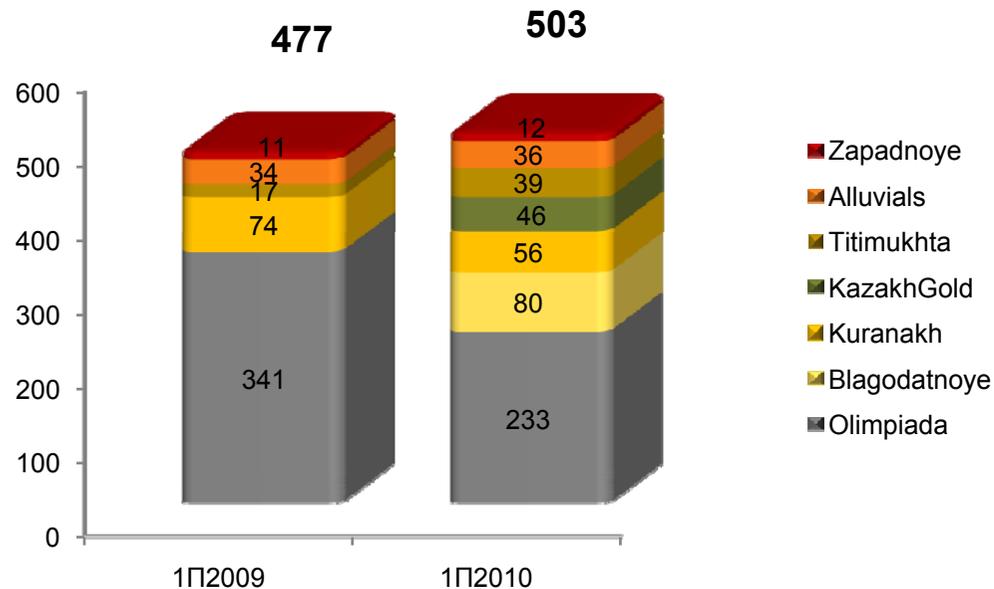
Moscow, 6 August 2010



The information contained herein has been prepared using information available to Polyus Gold Group at the time of preparation of the presentation. External or other factors may have impacted on the business of the Polyus Gold Group and the content of this presentation, since its preparation. In addition all relevant information about Polyus Gold Group may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty and Polyus Gold Group cautions that actual results may differ materially from those expressed or implied in such statements.

Nothing herein should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities in any jurisdiction.

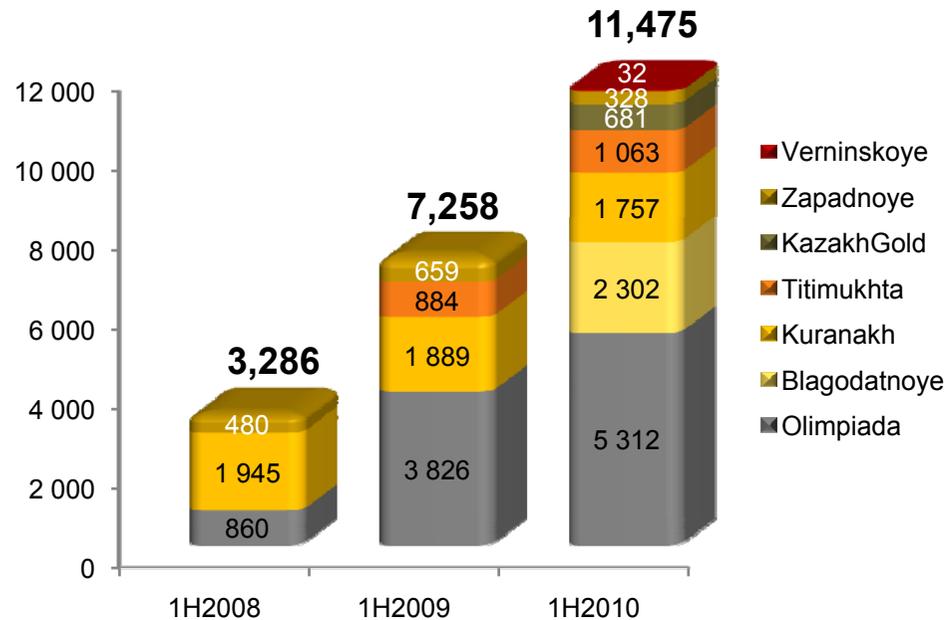
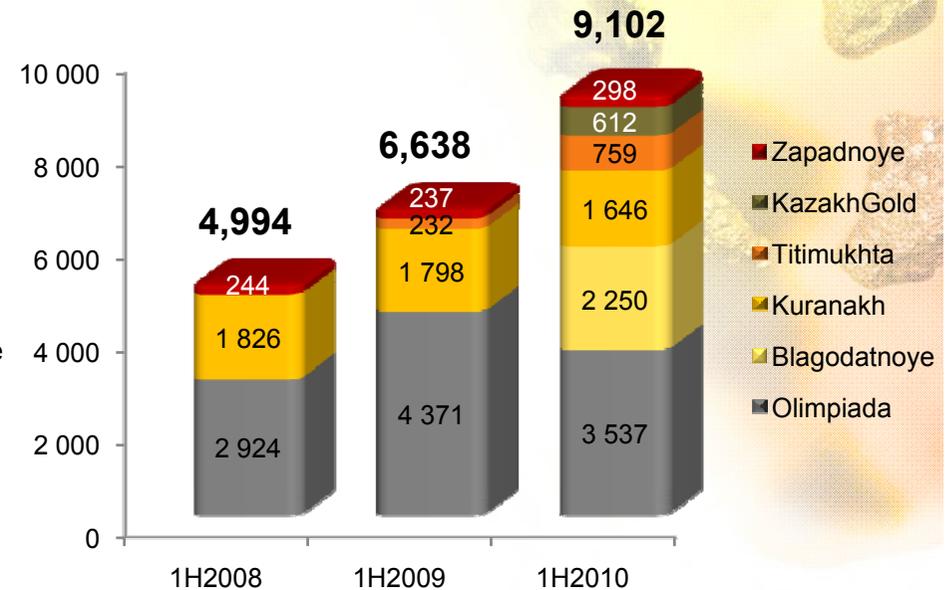
Gold production volumes, k oz*


In the 1H2010 the Polyus Group produced 503 k oz of gold, showing a 5% Y-o-Y increase.

Main growth factors:

- Launch of the Blagodatnoye mine in a precommissioning mode,
- Enhanced capacities of Titimukhta,
- Acquisition of operating assets in Kazakhstan in August 2009.

*Production volumes include 456 k oz of refined gold produced by the Polyus Group's mines in Russia and 46 k oz of gold produced by KazakhGold Group in the form of sludge, flotation and gravitation concentrates and other semi-products.

Ore mined, k tonnes

Ore processed, k tonnes


- Launch of Titimukhta,
- Pre-commissioning at Blagodatnoye,
- Enhanced ore mining at the Olimpiada mine,
- Consolidation of operating results of the Kazakhshtan mines for the 1H2010.

- Commencement of operations at the Blagodatnoye mine in a precommissioning mode;
- Consolidation of KazakhGold's processing results;
- Titimukhta capacities ramp-up.

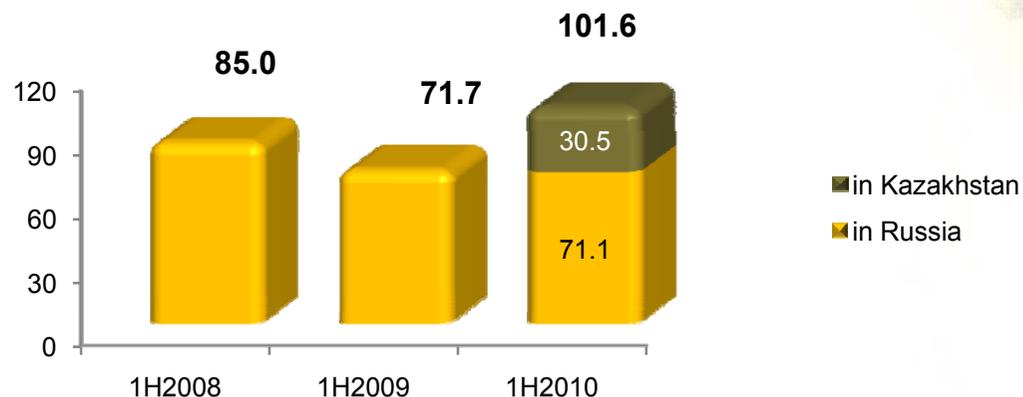
- In the 1H 2010 **gold sales** amounted to **524 k oz**.*
- According to preliminary estimates, **revenue from gold sales** in the first six months of 2010 totals **USD 604 mln** (unaudited).
- According to preliminary estimates, **weighted-average gold selling price** was **USD 1,154 per oz**, compared to USD 926 per oz in the 1H2009.**



* Sales volumes include 481 k oz of sold refined gold produced by the Polyus Group's mines in Russia and 43 k oz of gold produced and sold by KazakhGold Group in semi-products.

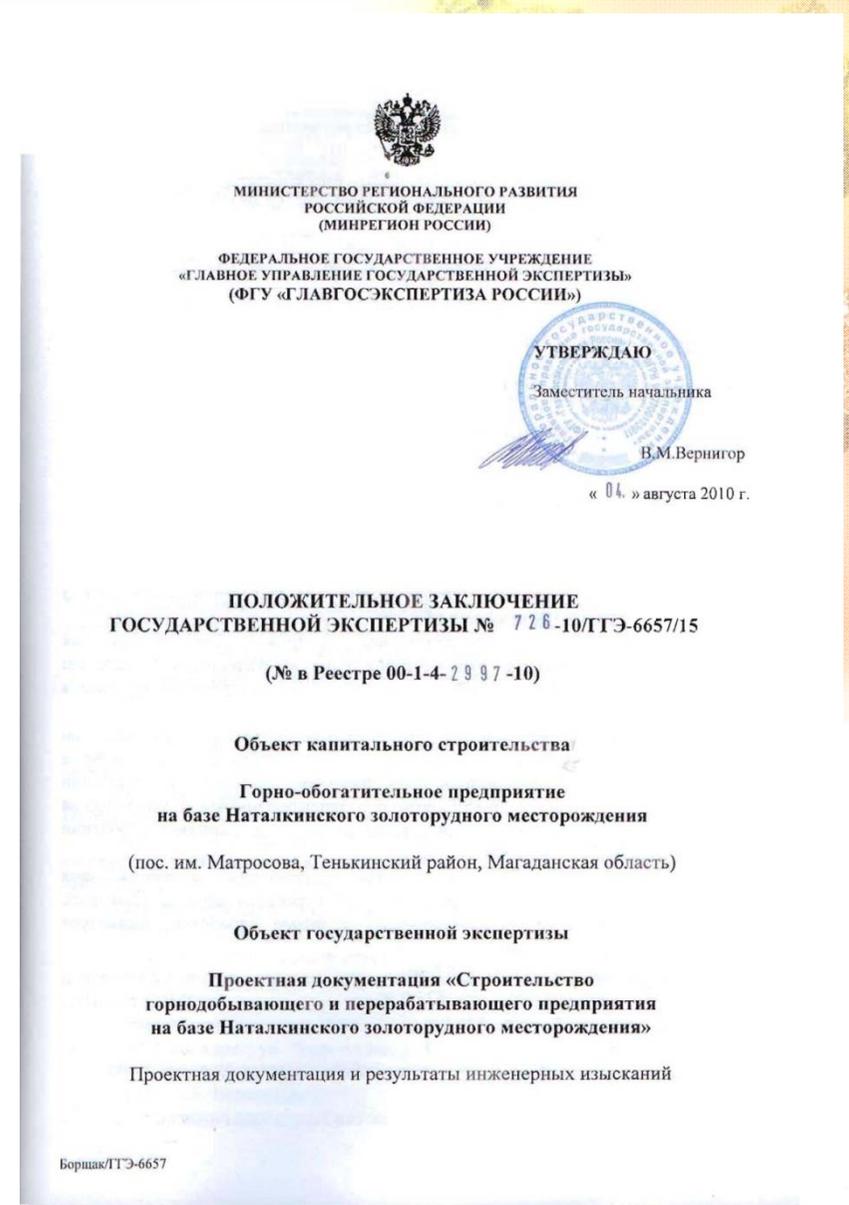
**Weighted-average gold selling price for refined gold produced by the Polyus Group's mines amounted to USD1168 per ounce. Lower selling price for the whole Polyus Group of USD1154 per ounce was due to KazakhGold Group's sale of semi-products at a considerable discount to gold market price.

Exploratory drilling volumes, thousand meters



- Total volume of drilling by the Polyus Group in the 1H2010 amounted to **101.6 thousand meters**.
- The increase in drilling volumes during the reporting period was mainly due to exploration works carried out in Kazakhstan (at Aksu, Zholymbet, Akzhal and South Karaultube).
- Volume of drilling in Russia remained at the level of the 1H2009.

- On August 4, 2010 the Federal State Expertise Committee of Russia (GlavGosExpertiza) issued the positive opinion on the project documentation and engineering survey results for the construction of the Natalka mine.
- In June 2010, international audit of the project documentation by SRK Consulting began.
- ‘The approval of the Natalka mine construction project is an important step which allows the company to start large-scale construction works as well as begin contracting mining equipment of prolonged manufacturing cycle, to make sure mining at Natalka begins in 2013’, – stated Polyus CEO Evgueni Ivanov.

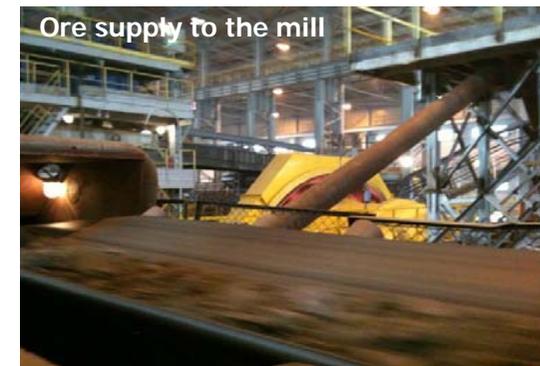
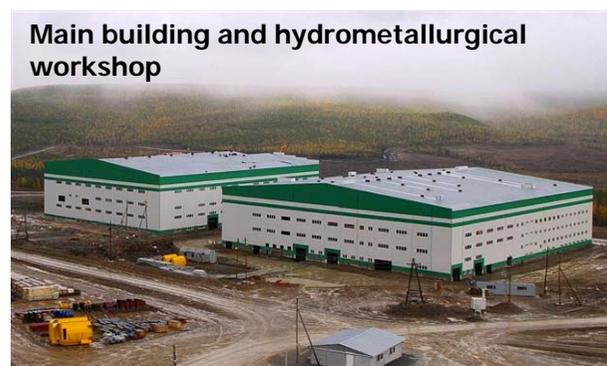


Main highlights:

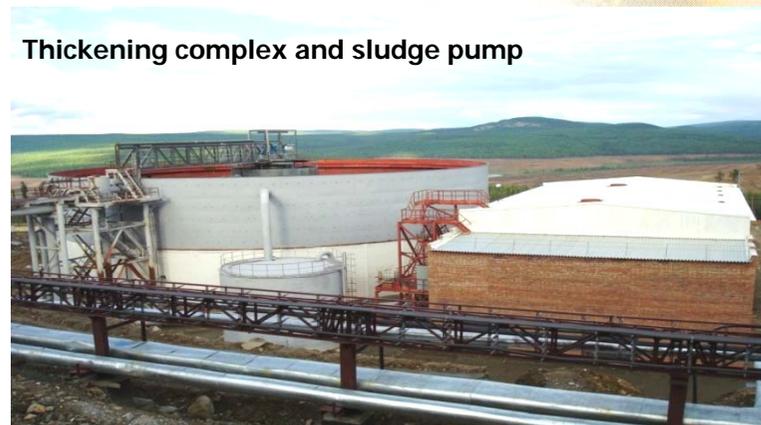
Mine life	2010 – 2031
Reserves (P&P, JORC)	9.9 m oz at 2.3 g/t*
Mill capacity	6 mtpa
Recovery	88.6%
Annual gold production	412 k oz
Capex (ex. VAT)	USD450 mln
Average TCC	USD244 /oz
Breakeven gold price	USD490 /oz

Key facts:

- Largest stand-alone gold mine in Russia;
- Located 25 km to the north of the Olimpiada mine;
- Technology: gravitation, flotation, intensive cyanidation, sorption leaching.
- Sep 05 – the State Reserve Committee approved gold reserves in the amount of 222 t (Russian classification);
- Nov 07 – BoD approved the project;
- Sep 08 – reserve base increased to 310 t subject to the results of additional exploration (Russian classification);
- Nov 08 – JORC audit of reserves completed;
- Apr 09 – project approved by the State Expertise Committee;
- Dec 09 – mine launch in the pre-commissioning mode;
- Jul 10 – first gold bullion smelted.



- In the 1H2010 main construction and assembling works at the pit and the mill were completed.
- A 24-MW power plant was launched.
- In 2010 construction of warehouses, garage-repair shop, diversion facilities and tailing dam to be finalized.
- In the 1H2010 2,302 thousand t of ore were mined and 2,250 thousand t processed.
- Gold production in the 1H2010 – 80 k oz;
- Expected Capex in 2010 – USD 194 mln.



Blagodatnoye pit



Olimpiada:

- 1H 2010 production – 233 k oz;
- On-going adjustment of refractory sulfide ores processing technology;
- Decrease of the volume of ore processing;
- Decrease of recovery;
- Modernization program aimed at increasing the mine's operating efficiency.

Blagodatnoye:

- 1H 2010 production as a result of pre-commissioning operations – 80 k oz;

Kuranakh:

- 1H 2010 production – 56 k oz;
- Decrease of the ore processing volumes as a result of unstable ore supply to the mill due to unfavourable weather conditions;
- Mill modernization continued.

KazakhGold Group:

- 1H 2010 production – 46 k oz.

Titimukhta:

- 1H 2010 production – 39 k oz;
- Adjustment of processing technology for the ores of Titimukhta continued.

Alluvials:

- 1H 2010 production – 36 k oz;
- Increase of the gold grade in the sands washed.

Zapadnoye:

- 1H 2010 production – 12 k oz;
- Decrease of gold grade in the ore processed was offset by growth in ore processing volumes.

Main highlights:

Mine life	2011 – 2025
Reserves (P&P, JORC)	1.7 m oz at 3.0 g/t
Mill capacity	2.2 mtpa
Recovery	86.9%
Annual gold production	183 k oz
Capex (ex. VAT)	USD 249 mln
Average TCC	USD 281/oz
Breakeven gold price	USD 490/oz

1H2010 Capex update:

- Frame and walling of the main building assembled,
- Electric power objects were constructed and heat network laid.
- Construction works on the camp and social objects went on.
- Construction of an oil products storage and tailing facilities continued.
- Capital mining works continued. 32 thousand t of ore mined in the 1H2010.
- Jun 2010 – the Subsoil Usage Agency of the Irkutsk Region granted the permission to commence mining operations at the Verninskoye pit.
- Expected Capex in 2010.- USD 99 mln.
- Commissioning in 2011.



Main building



Capital mining works

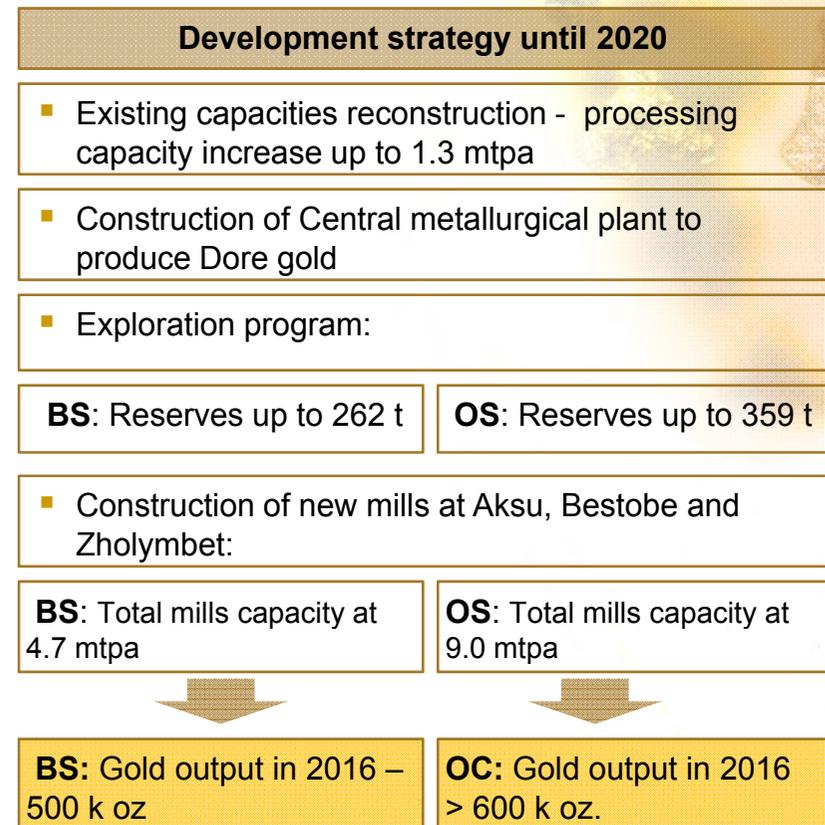
3 operating mines:	Aksu, Bestobe, Zholymbet
Reserves	10 m oz+*
Total capacity	~ 1 mtpa
Recovery	70-83%
2009 gold output	73 k oz
Breakeven gold price	USD 870/oz

1H2010 Capex update:

- Mills overhaul at the 3 producing mines continued;
- New mining equipment is purchased and installed;
- Works on enhancement of HL production capacities performed at Aksu and Bestobe;
- Surface exploratory drilling implemented at Aksu, Zholymbet and South Karaultube;
- Oxidized ore reserves calculated at the Kaskabulak deposit;
- 2010 Capex update - USD 66 mln.

Apr 10 – 0.3 mtpa HL complex launched at Akzhal. 1H2010 gold output– 2.4 k oz.

May 10 – New strategy for Kazakhstan assets development approved by KazakhGold BoD:



*Expected by the end of 2011.

BS – base case scenario, OC – optimistic scenario.