



POLYUS

Polyus Gold

German Pikhoya

Deputy General Director on strategy and corporate development



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.

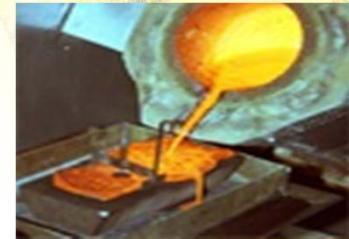
Nothing herein should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities in any jurisdiction.

Overview p.4

2010 results and solutions p.5

1Q operating results p.10

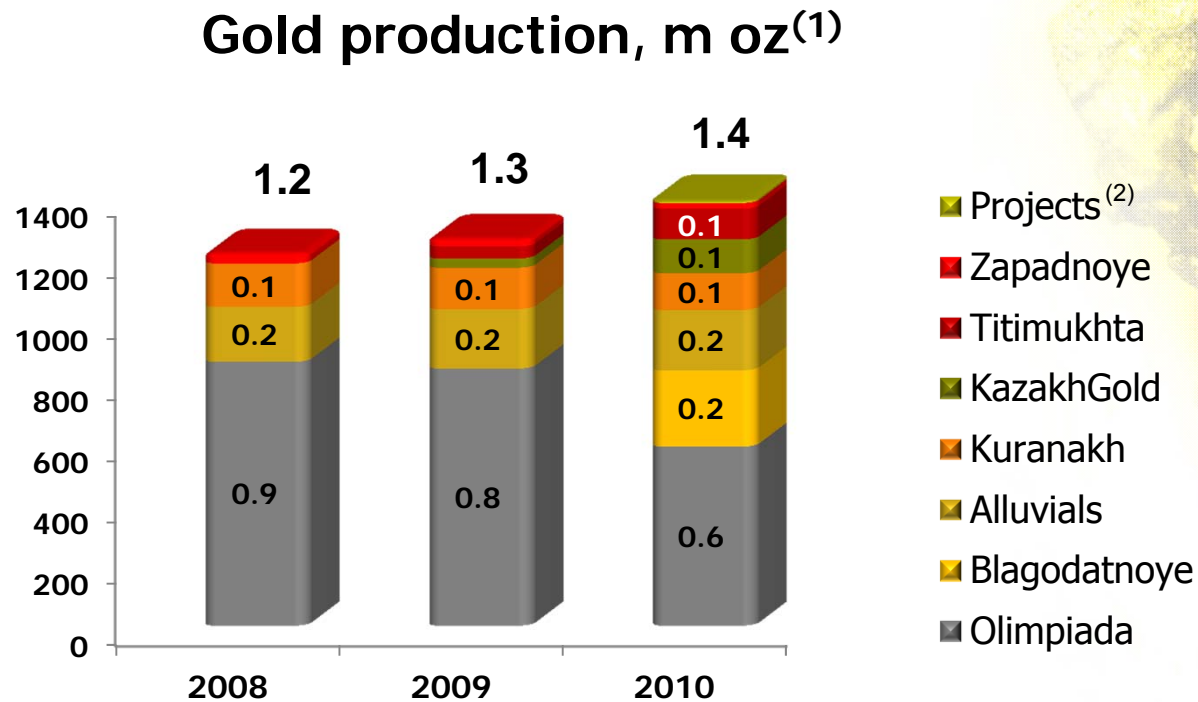
Projects update p.12



Polyus Gold key facts and figures:

- 9 producing mines + alluvial operations. 2 mines under construction.
- Cash, cash equivalents and short-term investments – USD 504 mln. Hedge free.
- MCap as of 05 May 2011 – USD 12.7 bln.
- The highest dividends per share in the sector globally (Div/Share: 2008 – USD 0.12; 2009 – USD 0.51; 2010 – USD 0.70).
- Capex: USD 301 mln in 2009, USD 350 mln in 2010; USD 800 mln in 2011.
- JORC 2P reserves – 78.2 m oz.





In 2010 the Polyus Group produced 1.4 m oz of gold, showing a **10% YoY increase**.

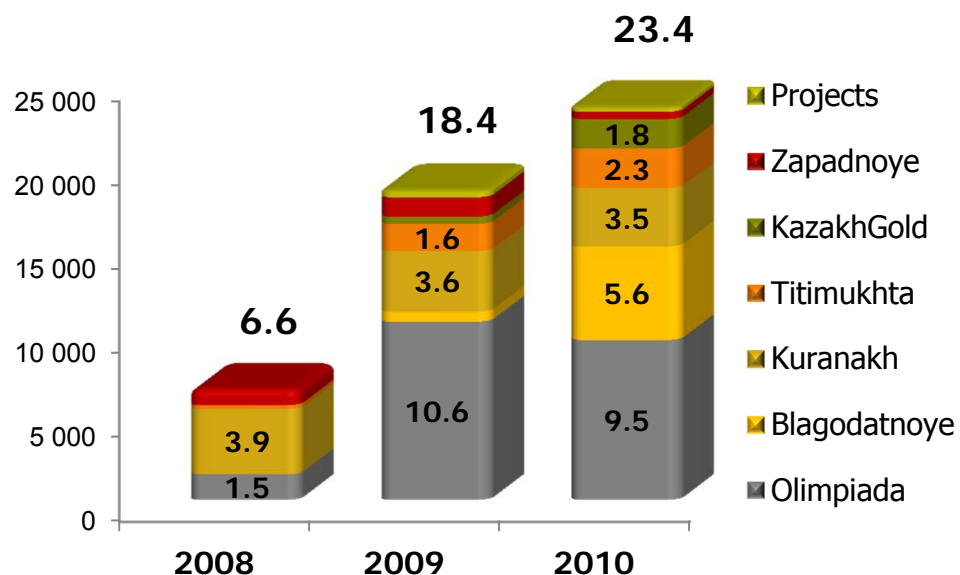
Main growth factors:

- Launch of the Blagodatnoye mine;
- Enhanced capacities of Titimukhta;
- Consolidation of Kazakhstan business unit's results for the full year 2010.

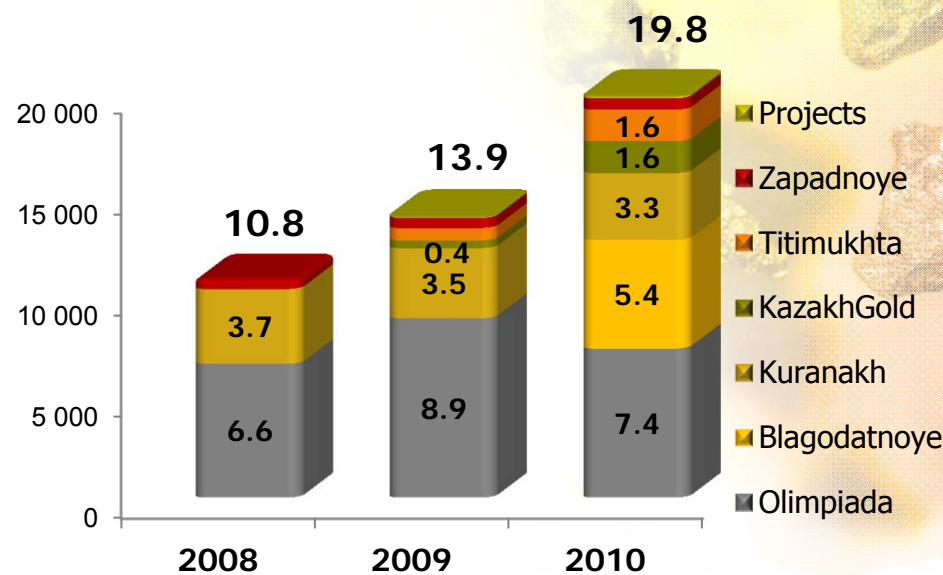
(1) Includes 1276 k oz of refined gold produced by the Group's subsidiaries located in Russia and 110 k oz of gold produced by KazakhGold Group in a form of sludge, flotation and gravitation concentrates and other semi-products

(2) Hereinafter "project" results include operating results of Verninskoye and Natalka.

Ore mined, m tonnes



Ore processed, m tonnes



In 2010 volumes of ore mined increased by 27%, ore processed – by 42%:

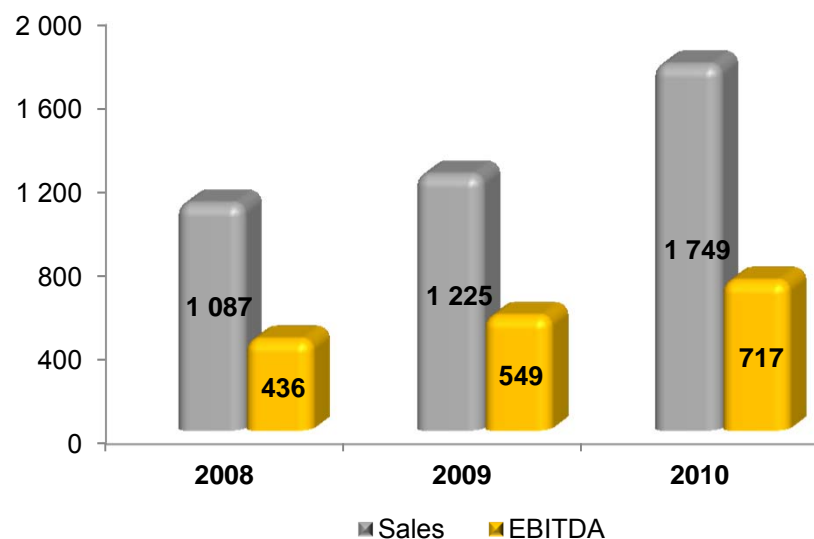
- Launch of the Blagodatnoye mill;
- Consolidation of FY2010 operating results of KazakhGold Group;
- Enhanced mining works at the Titimukhta pit, increase of the Titimukhta ore processing volumes at Mill-1 of Olimpiada.



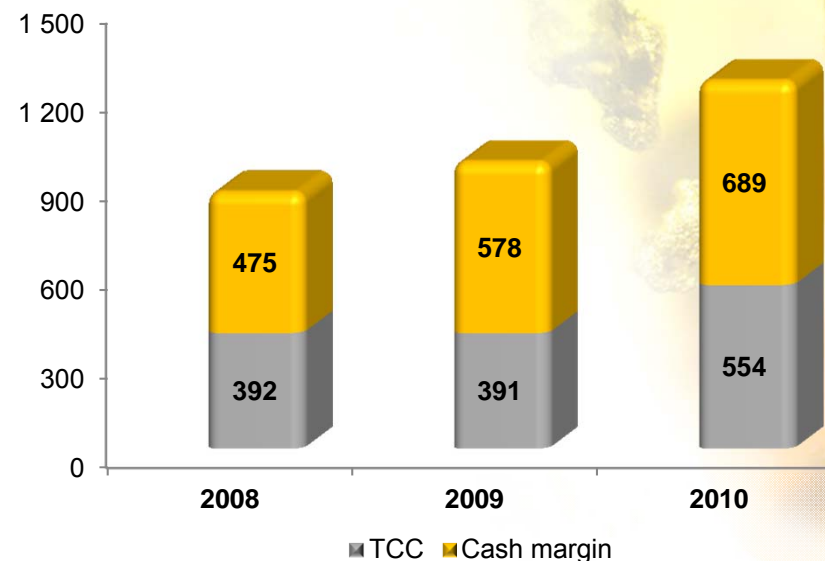
Optimization of production process at Olimpiada

- **Challenge:** following the transition to the deep-level sulfide ores, the BIONORD® technology showed high sensitivity to the change in the composition of ore; time required to adopt the technology to the new type of feed.
 - **Solution:** In September 2009 the program was developed aimed at raising the efficiency of ore processing process.
-
- **Status:** As of beginning of 2011, 8 measures out of 11 have been implemented. The designed processing capacity at Mill-2 and Mill-3 (8 MTPA) was achieved in April 2010.
 - In 2011, Stage 1 has to be completed, a 5-6% increase in recovery is expected.

Revenue and EBITDA, USD mln



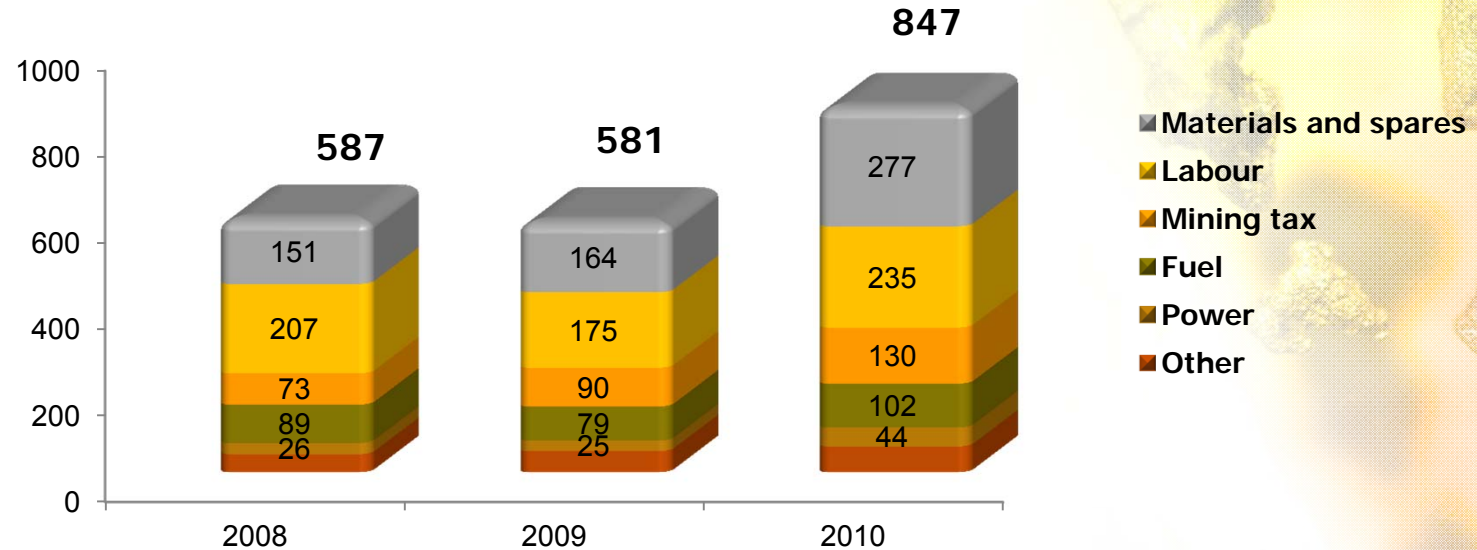
Cash margin and TCC, USD/oz



- Higher realized gold price and increased sales volumes resulted in a 43% YoY growth in revenue;
- 2-year revenue CAGR amounted to 27%;
- EBITDA showed a 31% YoY growth, with a 2-year CAGR of 28%.

- Due to favorable gold price dynamics cash margin continues to grow despite cost growth;
- Cash margin increased by 19% YoY, with a 2-year CAGR of 20%.

Cash operating costs in 2010, USD million



Materials and spares:

- Commissioning of the Blagodatnoye mine;
- Ramp-up of the Titimukhta capacities;
- Technical issues at the Olimpiada mine;
- Growth of purchase prices for materials and components;
- The RUB appreciation.

Fuel:

- Higher fuel purchase prices in line with the global trend of oil price growth;
- Increased oil products consumption following launch of Blagodatnoye.

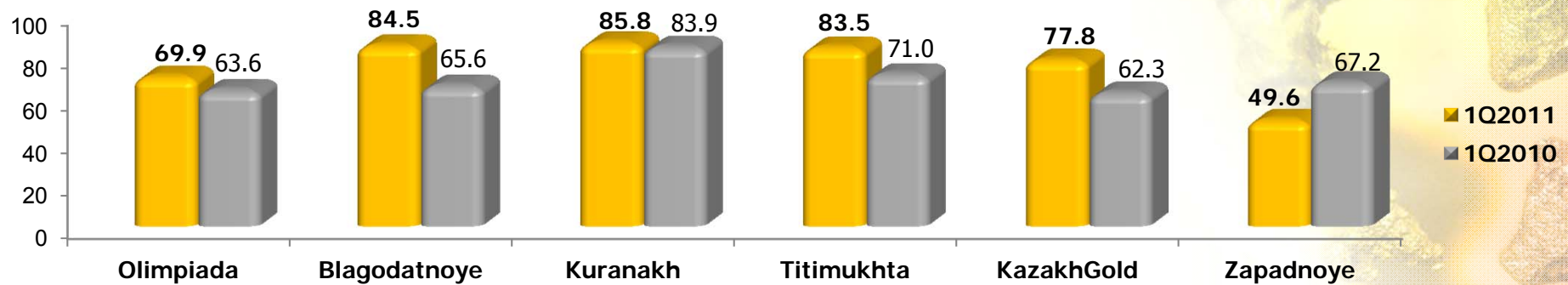
Labour expenses:

- Planned 10-12% indexation of salaries;
- Accrual of employee benefit obligation;
- Appreciation of the RUB relative to the USD.

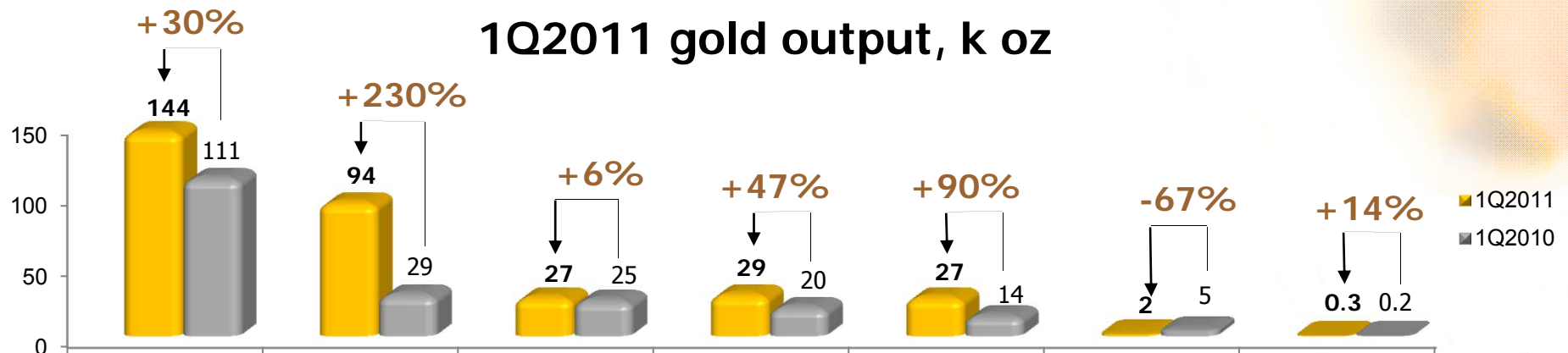
Mining tax:

- Higher average gold selling price;
- Enhanced production volumes.

1Q2011 recovery rate, %

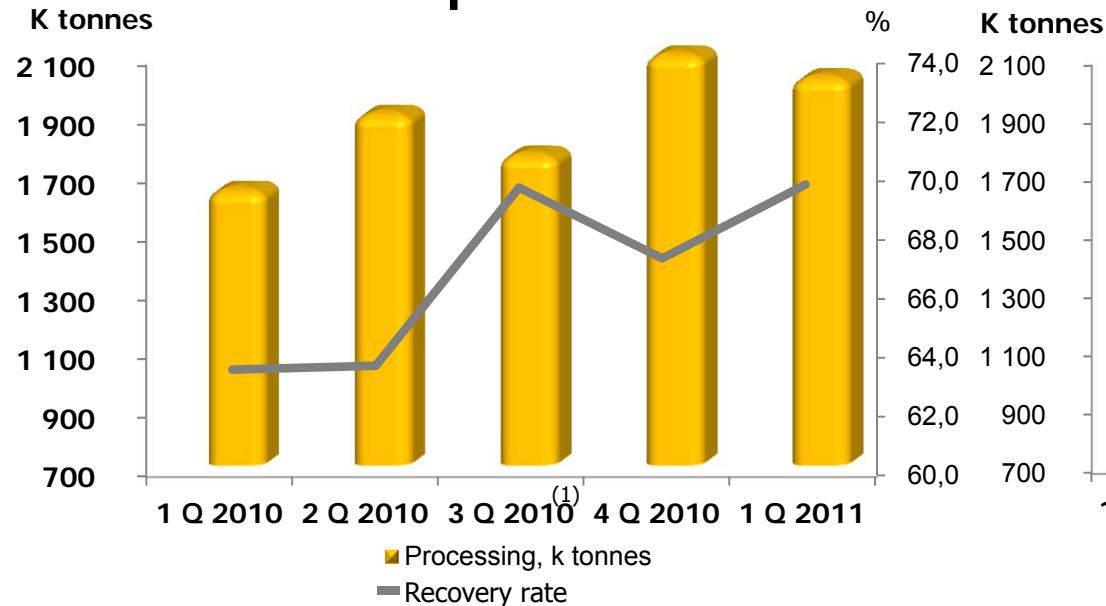


1Q2011 gold output, k oz

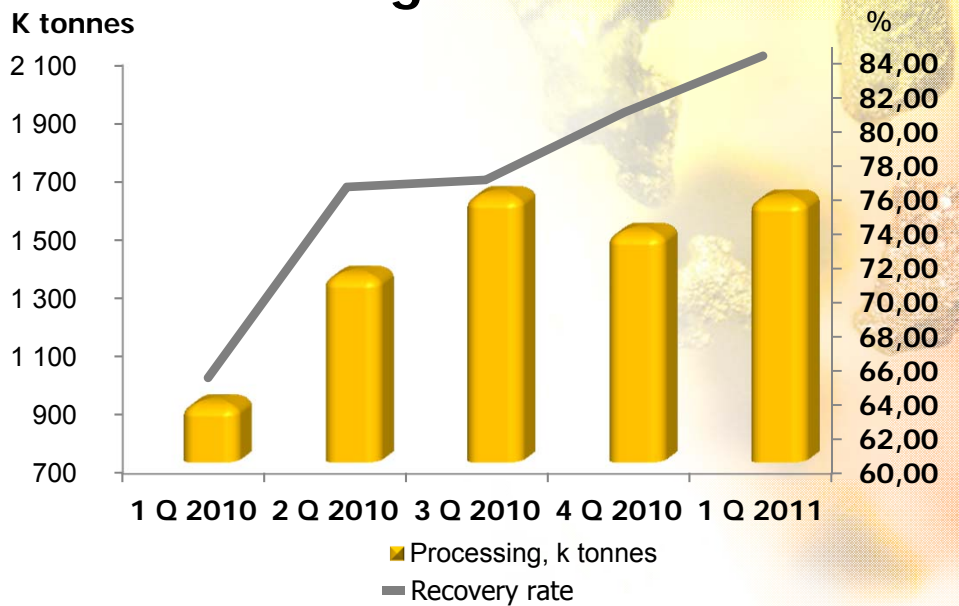


- | | | | | | | |
|--|--|---|---|--|--|--|
| <p>Olimpiada</p> <ul style="list-style-type: none"> — 23% increase in ore processing volumes; — Recovery reached 69.9%. | <p>Blagodatnoye</p> <ul style="list-style-type: none"> — Designed processing capacity achieved; — Recovery reached the designed level; — Increase of average gold grade. | <p>Kuranakh</p> <ul style="list-style-type: none"> — Gold output maintained at the level of 1Q2010. | <p>Titimukhta</p> <ul style="list-style-type: none"> — Enhanced ore processing volumes; — Improvement of recovery. | <p>KazakhGold</p> <ul style="list-style-type: none"> — Launch of Akzhal; — Enhanced ore processing at 3 principal mines; — Higher grades; — Increased recovery. | <p>Zapadnoye</p> <ul style="list-style-type: none"> — Depletion of reserves within the current pit outline | <p>Alluvials</p> <ul style="list-style-type: none"> — Insignificant production volumes due to seasonality of alluvial gold mining. |
|--|--|---|---|--|--|--|

Olimpiada mine



Blagodatnoe mine



- A combination of higher processing volumes and measures aimed at upgrading the plants lead to 31% q-to-q increase in production;
- The Company was able to demonstrate gradual improve in the recovery rate while increasing the plants throughput.

- A ramp-up period took just a few month (February-June 2010) and in the 3Q the Blagodatnoe plant reached projected throughput;
- Concurrently with the throughput increase the Group raised the recovery rate from 65.6% in the 1Q2010 to 84.5% in the 1Q2011.

(1) 3Q2010 results exclude processing of 23.4 tonnes of mixed ore from the stockpile

Highlights:

Mine life	2010 – 2031
Reserves (P&P, JORC)	9.9 m oz at 2.3 g/t
Mill capacity	6 mtpa
Design recovery	88.6%
Annual gold production	412 k oz
Capex (ex. VAT)	USD 450 mln

- Largest stand-alone gold mine in Russia;
- Commissioned in July 2010;
- Location: 25 km from Olimpiada, Krasnoyarsk Region;
- 249 k oz of gold produced in 2010;
- 6 MTPA designed capacity already achieved;
- Recovery: already close to the designed level;
- CapEx 2010 – USD 116 mln.

Blagodatnoye: Main building and hydrometallurgical workshop



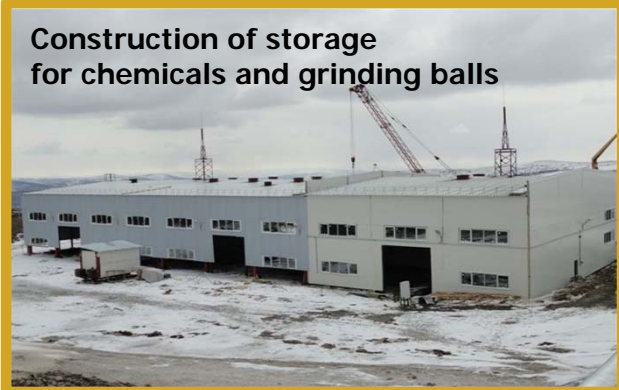
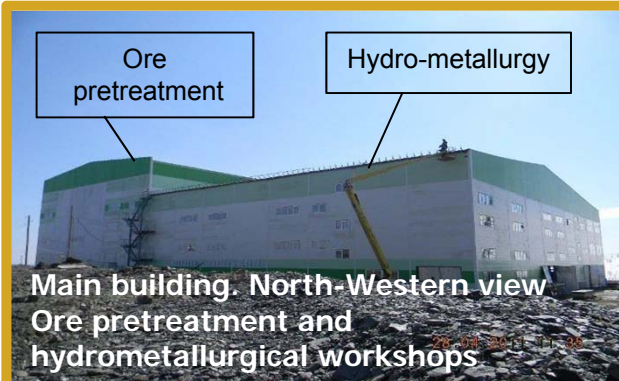
Highlights of construction:

Mine life	2011 – 2025
Reserves (P&P, JORC)	5.8 m oz at 2.7 g/t
Mill capacity	2.2 mtpa
Design recovery	86.9%
Annual gold production	183 k oz
Capex (ex. VAT)	USD 249 mln

Project update:

- Construction of main building completed;
- Assembly of technological equipment started;
- SAG mill installation underway;
- Construction of the crushing complex began;
- Construction of key camp facilities completed;
- Construction of warehouses and tailing facilities continued;
- On Feb 14, 2011 the new JORC figures approved;
- Expected Capex 2011 - USD 160 mln;
- Commissioning in 4Q 2011.





Nataalka development plan

Stage 1⁽¹⁾ 2014-2071	Capacity: 10 mtpa Grade: in 2014-2021: 2.1 g/t; LOM: 1.96 g/t Average Au production: 0.5 moz pa TCC: \$600/oz ⁽³⁾
Stages 1&2⁽²⁾ 2014-2043	Capacity: 20 mtpa Grade: In 2014-2018: 2.1 g/t, LOM: 1.96 g/t Average Au production: 1.0 moz pa TCC: \$545/oz ⁽³⁾
All stages 2014-2039	Capacity: 40 mtpa Grade: In 2014-2019: 2.1 g/t, LOM: 1.60 g/t Average Au production: 1.5 moz pa TCC: \$585/oz ⁽³⁾

2011 project update:

- March 2011 – agreement with Magadanenergo signed for the supply of up to 42 MWt for the needs of the 1st stage plant;
- The pre-mining grade control drilling under way;
- Reconstruction of the tailing dam completed.

Key developments for 2011 :

- CapEx 2011 USD 350 – 400 mln;
- Contracting of equipment of long production cycle;
- Vertical planning of the construction sites, construction of on-site roads;
- Commencement of the construction of tailings facilities and tailing dams;
- Construction of power facilities, storages, camp;
- Contracting of equipment for construction and mounting works in 2012.

(1) – Stage 1 data provided the BoD decides not to go ahead with stage 2

(2) - Stages 1&2 data for 2014-2043 provided the BoD decides not to go ahead with stage 3

(3) - LOM TCC calculated based on the following assumptions: fixed gold price of \$850/oz, fixed exchange rate – RUB28 per USD, 15% discount rate, no inflation adjustments.



- **Undisputable leader in Russian gold mining industry. The company shows steady annual production growth since 2008;**
- **A unique experience in projects development and mines construction. Total capacity of commissioned mills is 14 mtpa;**
- **Number 3 globally by JORC 2P reserves – 78.2 moz. Strong pipeline of new projects and opportunities;**
- **Strong financials (sales increased by 43%, EBITDA by 31%), hedge free, cash positive;**
- **The highest dividend/share ratio in the gold mining universe based on 2010 recommended dividends - 70 UScps.**