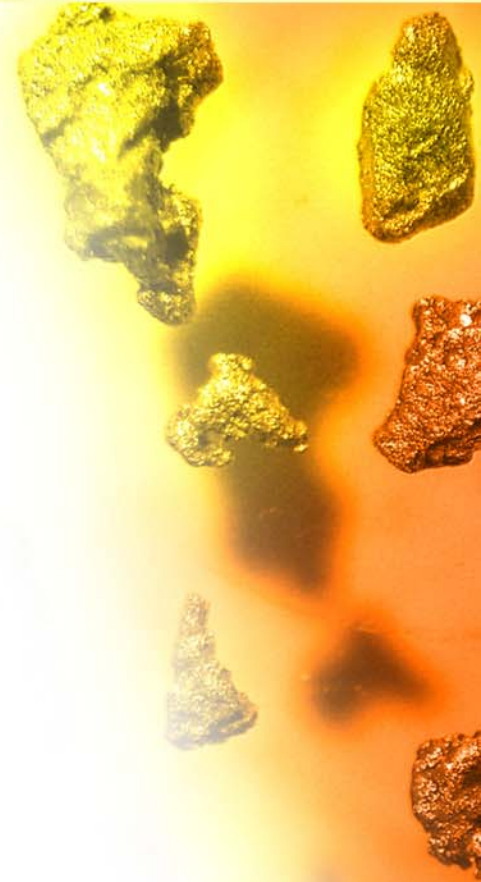


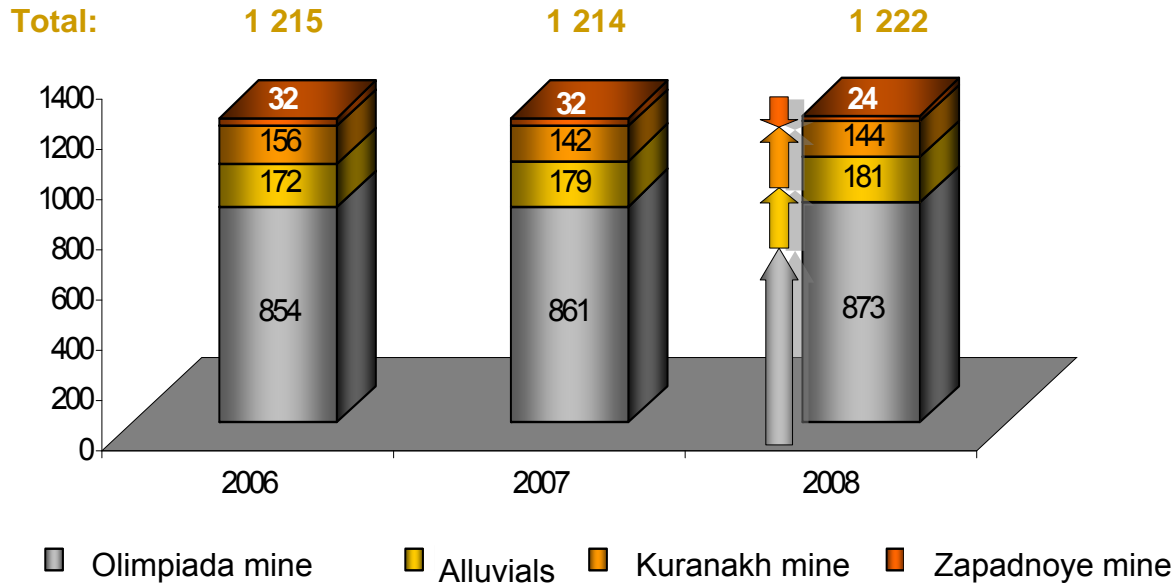
Polyus Gold:

2008 Operating Results

Moscow, 28 January 2009



Gold production, k oz



In 2008 the Group produced **1 222 k oz** of gold showing a 0.7% Y-o-Y growth. The sales amounted to 1 226 k oz.

Olimpiada mine:

- Mill-3 achieved its project capacity (5 mtpa);
- Mill-3 recovery rate achieved the level of 82%;
- Mill-1 shut down after the depletion of oxide ores at the Olimpiada deposit;
- Mill-3 transferred to sulfide ores processing.

Zapadnoye mine:

- The decrease was caused by modernization programme carried out at the mine aimed at improving the plant's technological process.

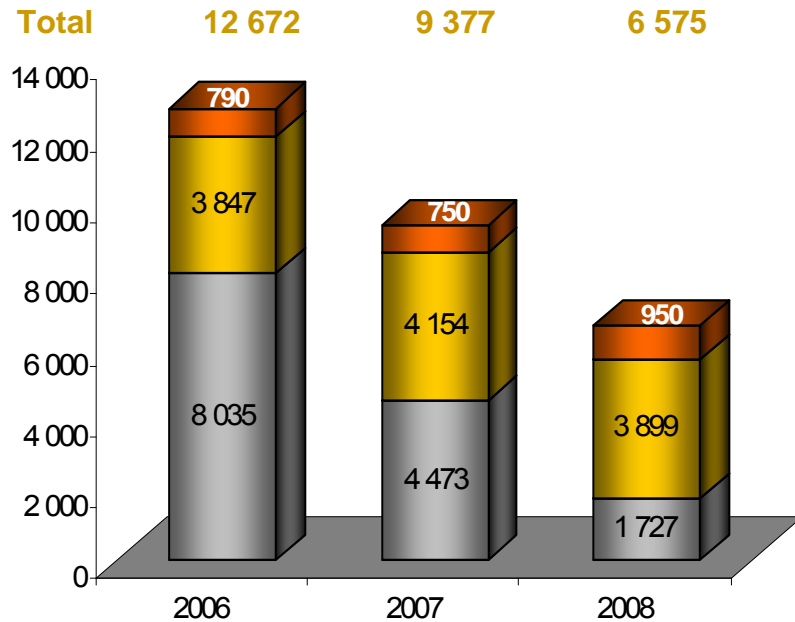
Alluvials:

- Acquisition of a new alluvial enterprise.

Kuranakh mine:

- The increase of the average grade of the ore processed (up to 1.44 g/t)

Ore mined, k tonnes

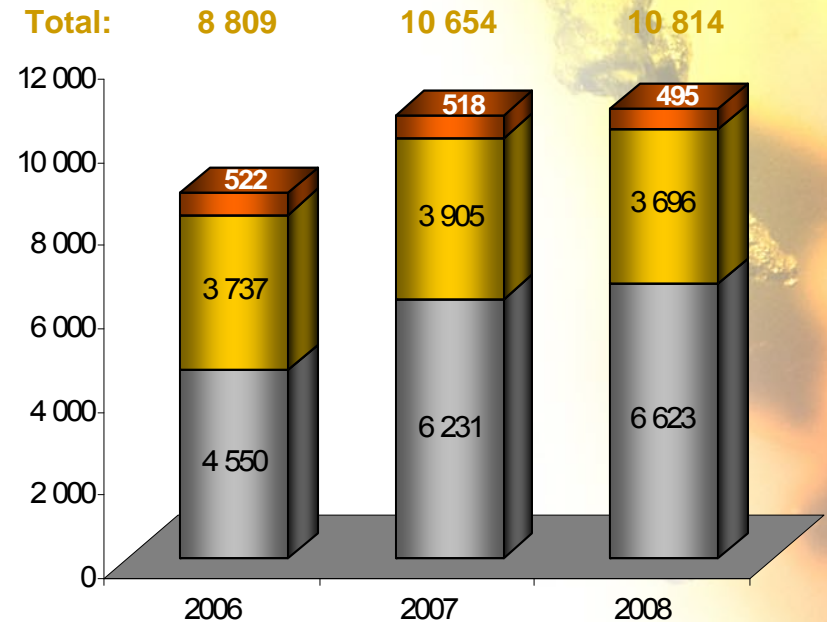


■ Olimpiada mine

■ Kuranakh mine

■ Zapadnoye mine

Ore processed, k tonnes



■ Olimpiada mine

■ Kuranakh mine

■ Zapadnoye mine

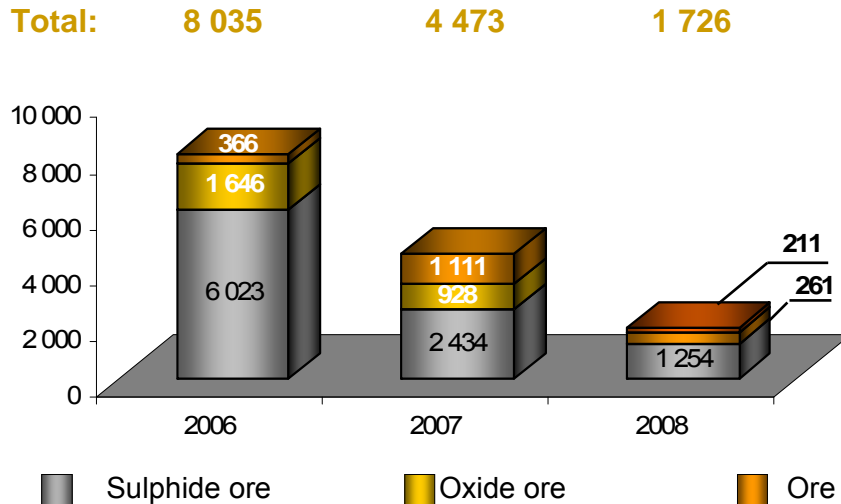
The volume of ore mined in 2008 totalled **6 575 k tonnes** (-29.9%),

The volume of ore processed was **10 814 k tonnes** (+1.5%).

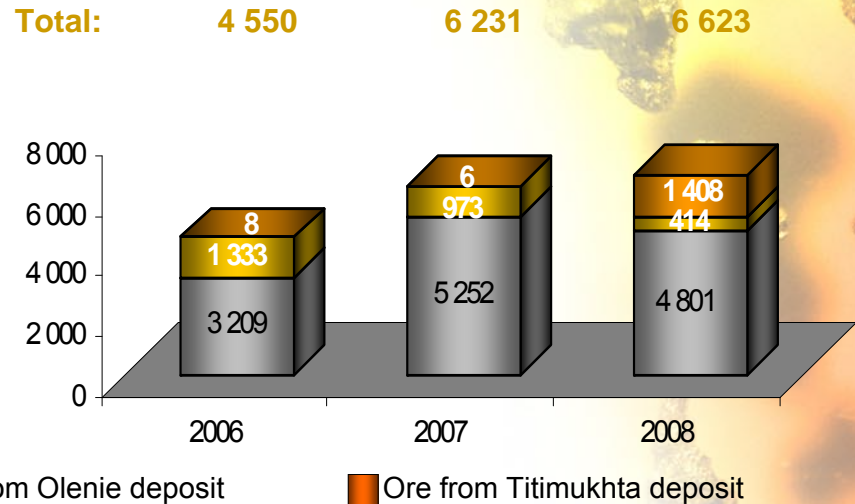
During 2008, at Olimpiada mine some volumes of ore were supplied to the mills from the stockpiles, which is a reason of the surplus of ore processed over the ore mined. At the beginning of 2008, more than 15 million tonnes of ore were stockpiled at the blending area of Olimpiada mine.

2008 results: ore mined and ore processed at Olimpiada mine

Ore mined, k tonnes



Ore processed, k tonnes



In 2008 Olimpiada mine finished oxide ore processing.

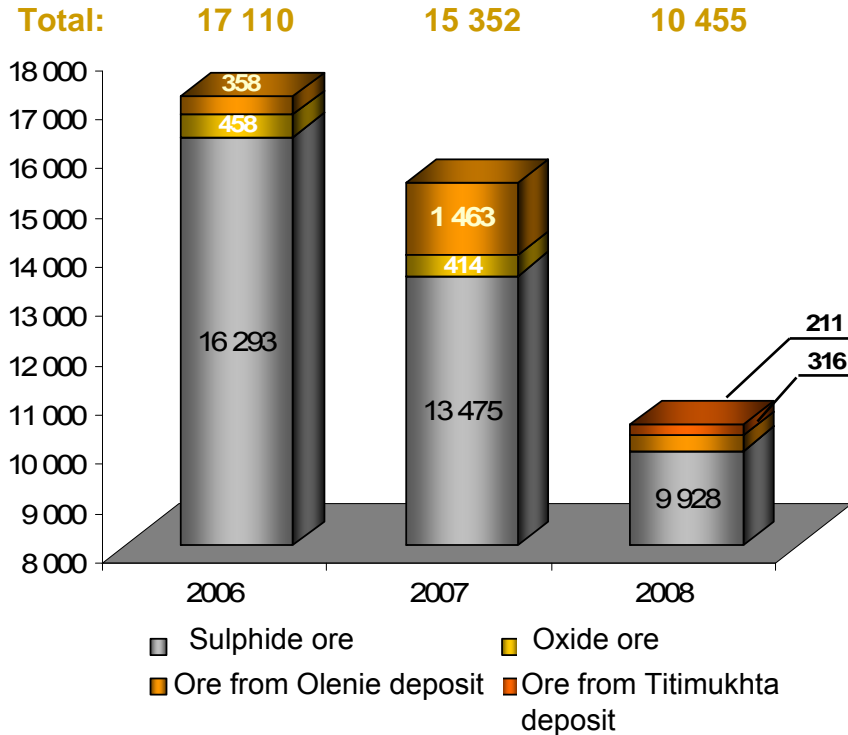
Mining of sulphide ore and ore from Olenie deposit decreased substantially (-48.5% and -76.5% respectively), significant volumes of ore were supplied to the mills from the stockpiles.

The volume of sulphide ore processing slightly decreased (-8.6%), at the same time high volumes of ore from Olenie deposit were processed during the year.

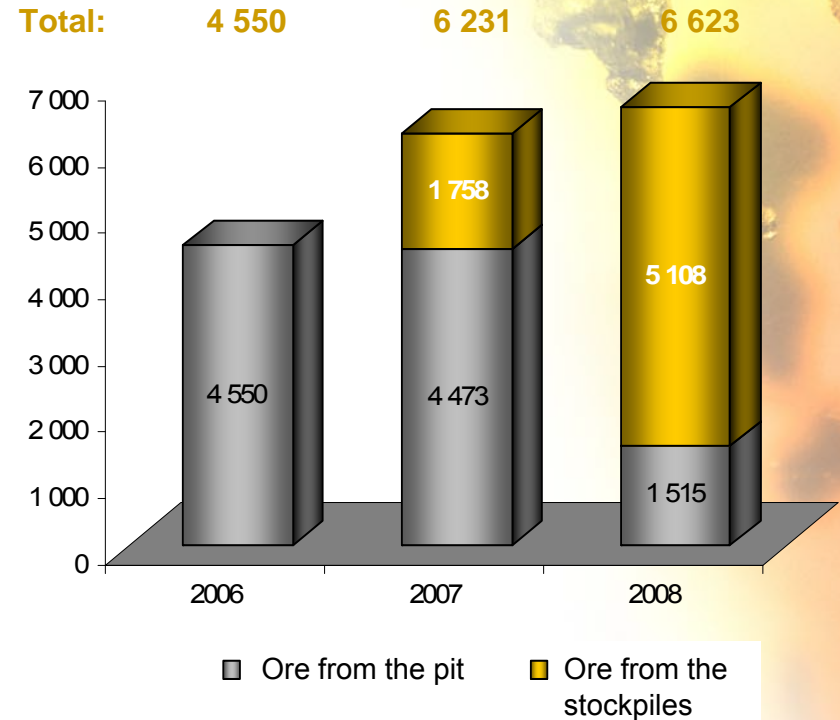
Total volume of ore processed at Olimpiada mine increased by 6.3%.

2008 results: ore balances at stockpiles of Olimpiada mine

Ore stockpiled at the end of the period, k tonnes



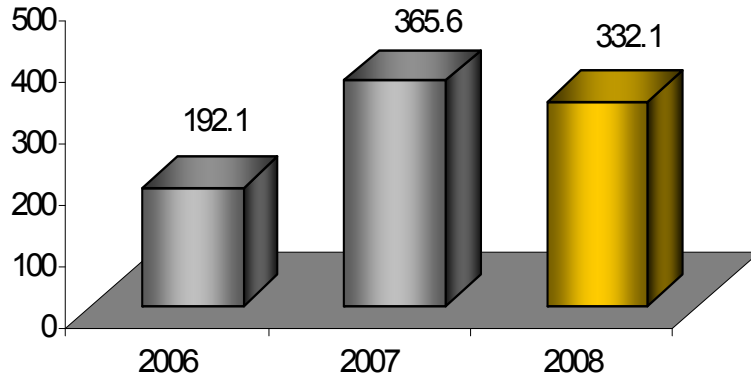
Processed ore structure, k tonnes



At the beginning of 2008 ore balance at the stockpile equaled to 15 352 k tonnes. During the year, 77% of ore processed was supplied from the stockpile. Thus, at the end of the period the volume of ore stockpiled decreased by approximately one third.

2008 results: volume of drilling decrease and mineral resources growth

The volume of drilling, thousand meters



The total volume of drilling equaled to **332.1 thousand meters** (-9.1%). The decrease is a result of the completion of the first stage of the long-term exploration programme, which included additional explorations works on the advanced-stage deposits.

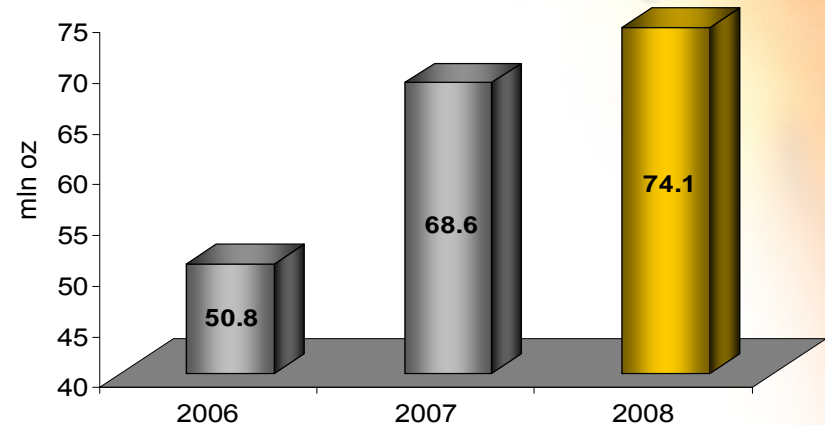
The increase of mineral resources base

Blagodatnoe (Krasnoyarsk region):

November 2008 – the audit according to JORC was completed at Blagodatnoye deposit. P&P reserves increased from 8.1 mln. oz to **9.9 mln oz**

Mine life *	2010-2031
Reserves (P&P)	9.9 mln oz . at 2.3 g/t
Mill capacity	6 mln t/a
Recovery	88.8%
Average annual gold production	411 k oz
Capex (ex. VAT) **	USD390.2 mln
Average TCC	244 USD/oz

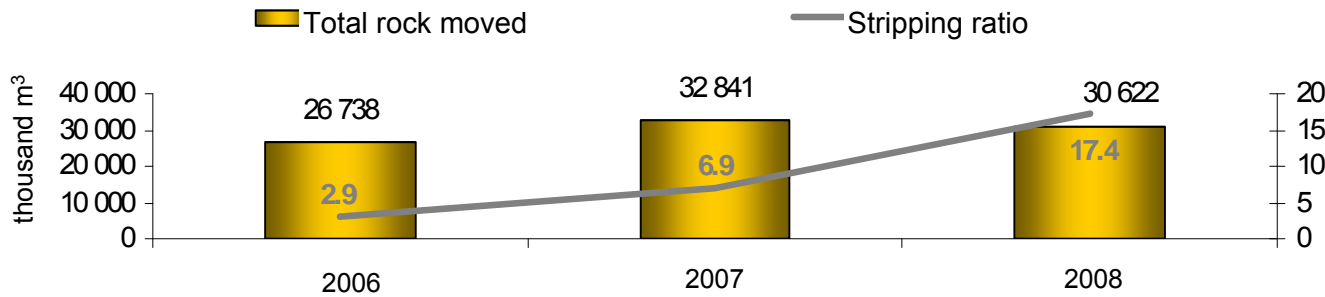
The Group's P&P reserves increased from 68.6 mln oz to **74.1 mln oz.**



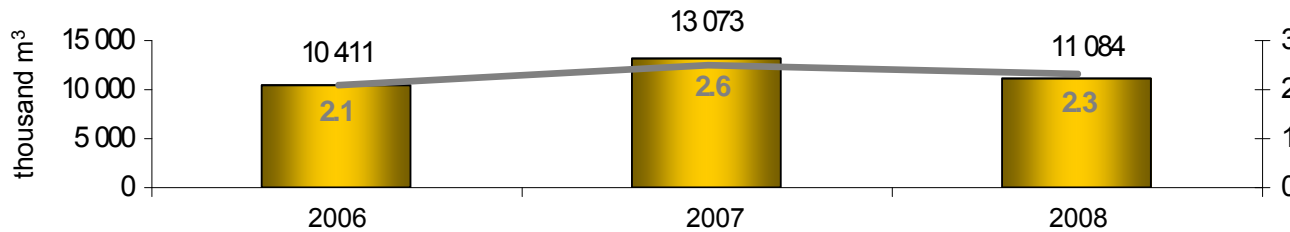
* Data according to the Reserves Audit completed by Micon Int. Co Ltd. In November 2008.

** According to Polyus calculations.

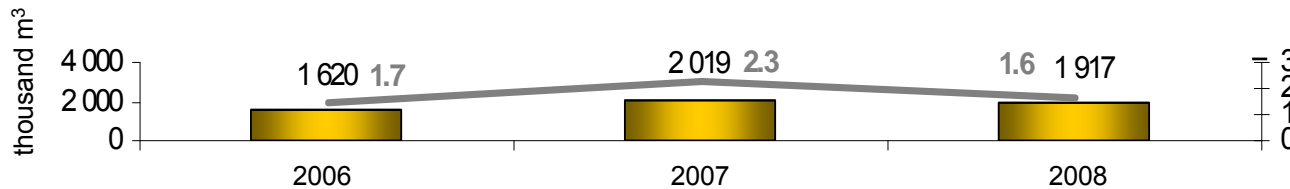
Olimpiada mine



Kuranakh mine



Zapadnoye mine



In 2008 the Group's production units moved **43 623 thousand m³** of total rock (-9%).*

The decrease was expected at all business-units.

The sharp increase of the stripping ratio at Olimpiada mine was connected with the stripping works carried out at Vostochny pit.

At the rest of the mines this indicator slightly declined which was stipulated by the mine plan for the year 2008.

* Without stripping works at Titimukhta and Blagodatnoye deposits.

Nezhdaninskoye deposit (pre-feasibility study):

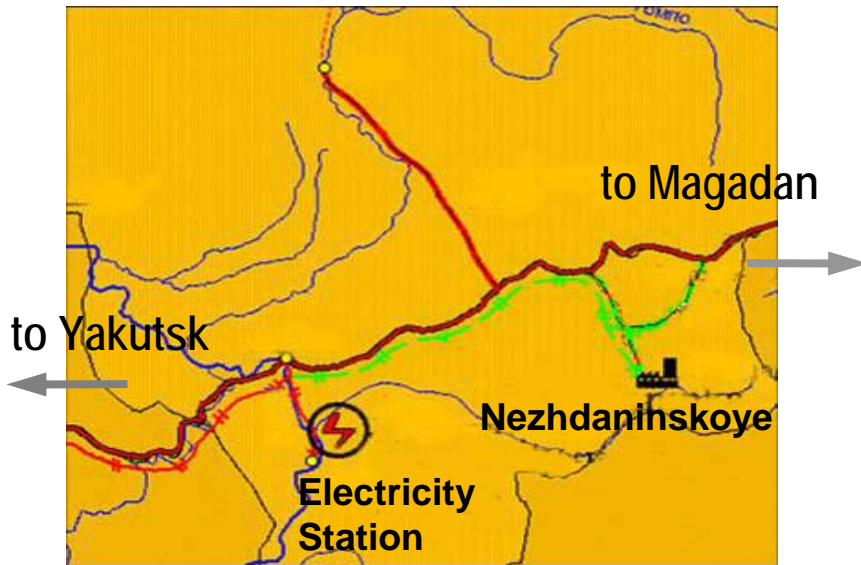
Reserves (B+C1+C2)	15 mln oz
Average gold grade	3.86 g/t
Located on the North-East of the Republic of Sakha (Yakutia)	

Kinross Gold:

Canadian gold producer
 Ranks 8th in the world gold mining industry
 Mines 8 deposits in the USA, Brazil, Russia and Chile
 Reserves – 47 k oz Au and 77 k oz Ag
 Resources – 37 k oz Au and 73 k oz Ag
 Total gold produced in 2007 – 1 589 k oz
 Expected gold production in 2008 – 1 850 k oz
 Capitalization as of 12/01/2009 – USD11.7 bln
 Projects in Russia: Kupol
 Past projects in Russia: Julietta, Kubaka

Prospective deal with Kinross Gold:

26/01/09 Polyus Gold and Kinross Gold concluded a Memorandum of understanding on joint development of Nezhdaninskoye deposit. According to the Memorandum, within the time frame of 18 months the companies are planning to jointly prepare a Feasibility Study and, if warranted by its results, the parties will review the possibility to enter into a JV agreement for developing the Nezhdaninskoye deposit. Should the JV be set up, Polyus and Kinross Gold Corp will own 51% and 49% respectively, and Kinross will be designated at the project operator.



— New section of Kolyma road (603 km – 667 km) and a road approaching Nezhdaninskoye



In November 2008 a new senior managerial position was introduced in Polyus Gold - Deputy general director on production. This will allow to coordinate production process more effectively and monitor operating activity of all the Group's production-units.

The new position was occupied by Mr. Zakharov.

Boris A. Zakharov Deputy General Director, Production

- Born on November 18, 1954.
- 1978 – graduated from the Moscow Institute of Steel and Alloys
- 1977 – 1985 – various positions of measuring-floatation shop of processing plant of Norilsk Mine, the final position being chief foreman.
- 1985 – 1992 – chief foreman of processing plant at Erdenet mine in Mongolia.
- 1992-2008 - deputy head of measuring-floatation shop of Norilsk processing plant, chief engineer of processing plant, head of R&D department of OJSC Norilsk Nickel.
- November 2008 – joined Polyus Gold as Deputy General Director on production.
- The Candidate of technical sciences.



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