

Polyus Gold

Evgueni Ivanov, CEO

**Denver Gold Forum
Denver, September 2010**



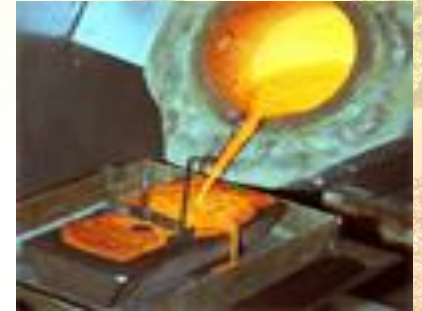
The information contained herein has been prepared using information available to Polyus Gold Group at the time of preparation of the presentation. External or other factors may have impacted on the business of the Polyus Gold Group and the content of this presentation, since its preparation. In addition 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.

Overview

p.4



1H 2010 results

p.7



Projects update

p.13



Polyus Gold key facts and figures:

- 9 producing mines + alluvial operations; 2 mines under construction, over 20 exploration projects
- Net cash – USD 264 mln; Hedge free
- MCap as of Sept 21, 2010 – USD 9.7 bln
- Dividends policy strictly followed (Div/Share: 2007 – USD 0.13; 2008 – USD 0.12; 2009 – USD 0.51)
- Capex: USD 300 mln in 2009, USD 600 mln in 2010;
- Primary listing in Russia (MICEX, RTS); ADRs listed on LSE (main market)
- JORC 2P reserves – 74.1 m oz

- Sales revenue, USD mln
- Gold production, mln oz
- EBITDA, USD mln

2009

1,225

1.3

549

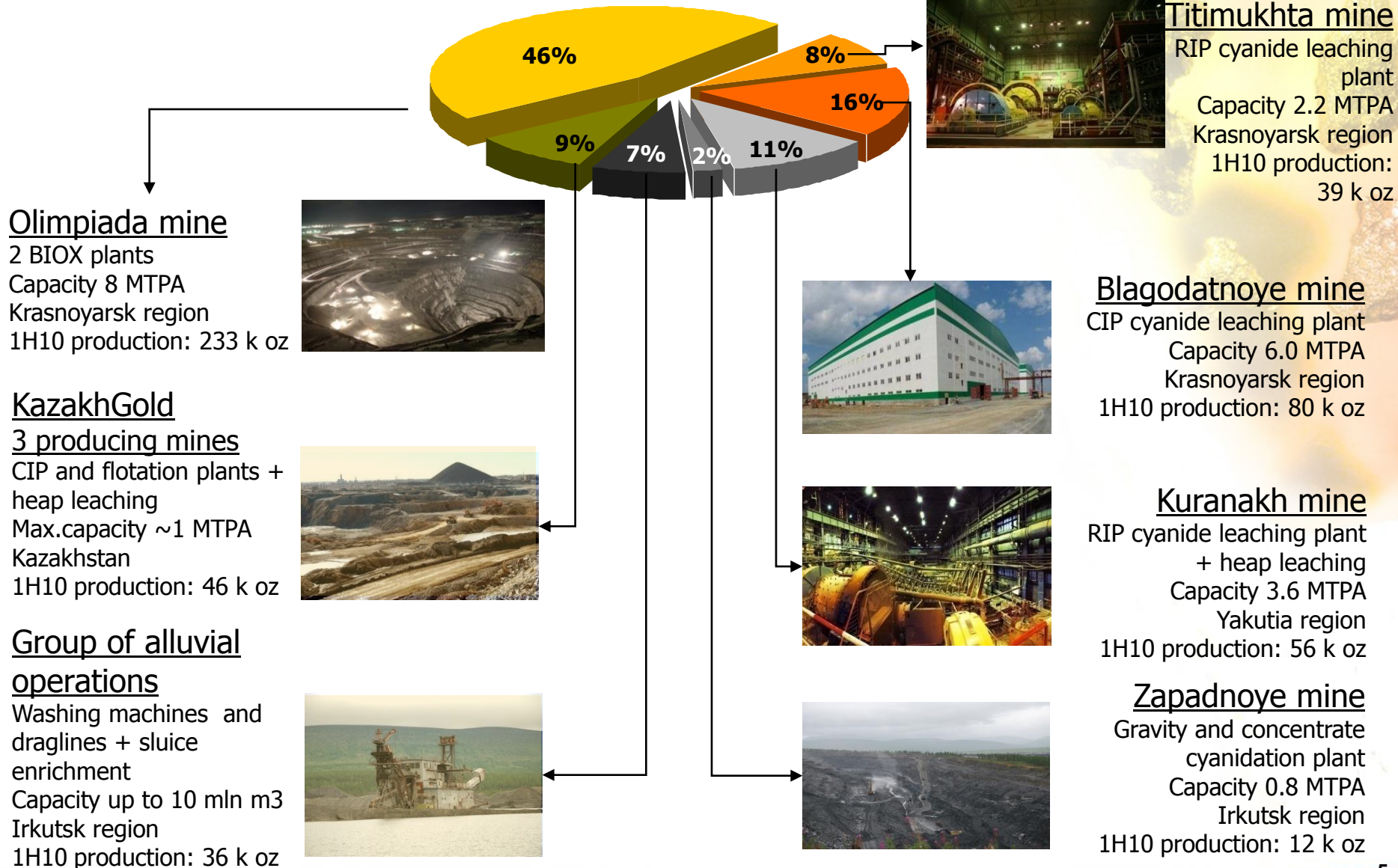
1H2010

622

0.5

248





Since the company's going public in 2006 (throughput of 8.9 MTPA)

3 large-scale mining projects launched
11.7 MTPA added

**Olimpiada Mill-3:
launched in 2007**



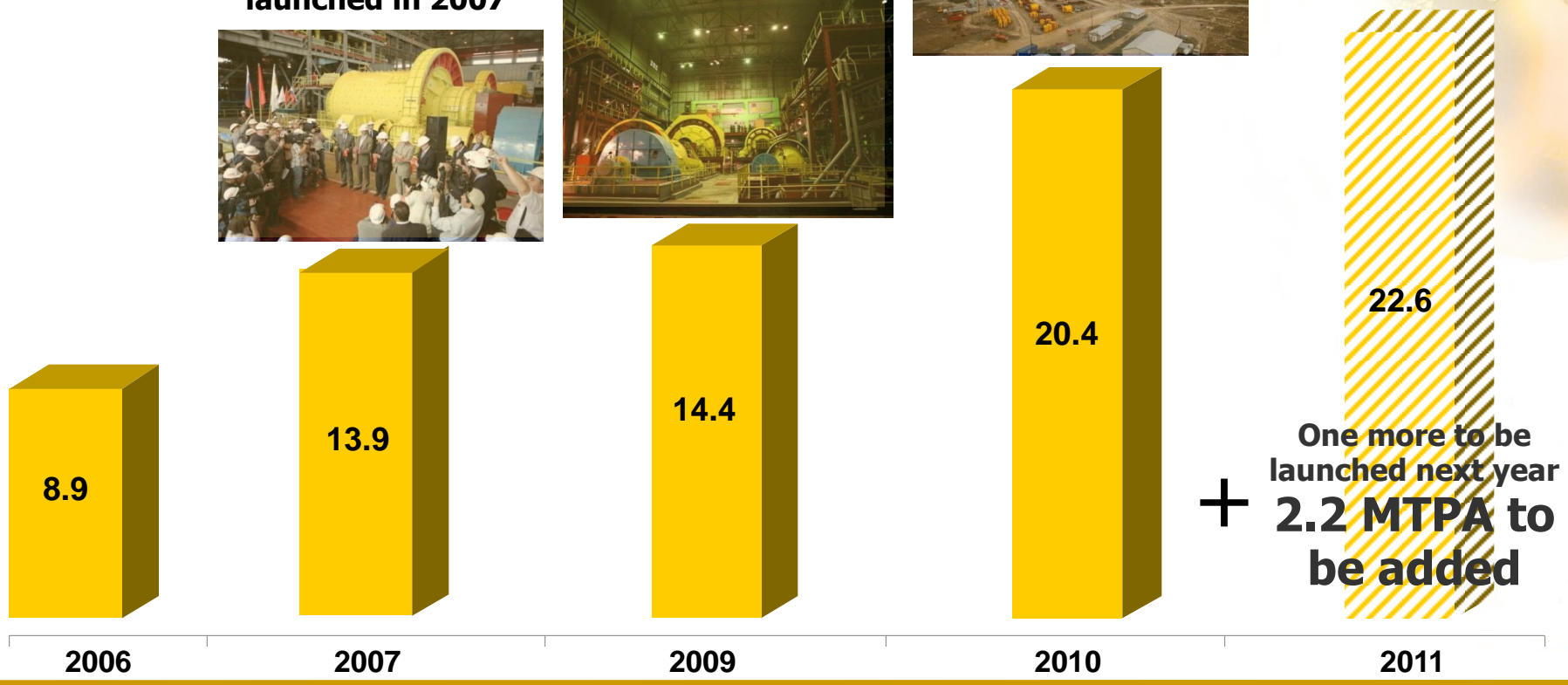
**Titimukhta:
launched in 2009**



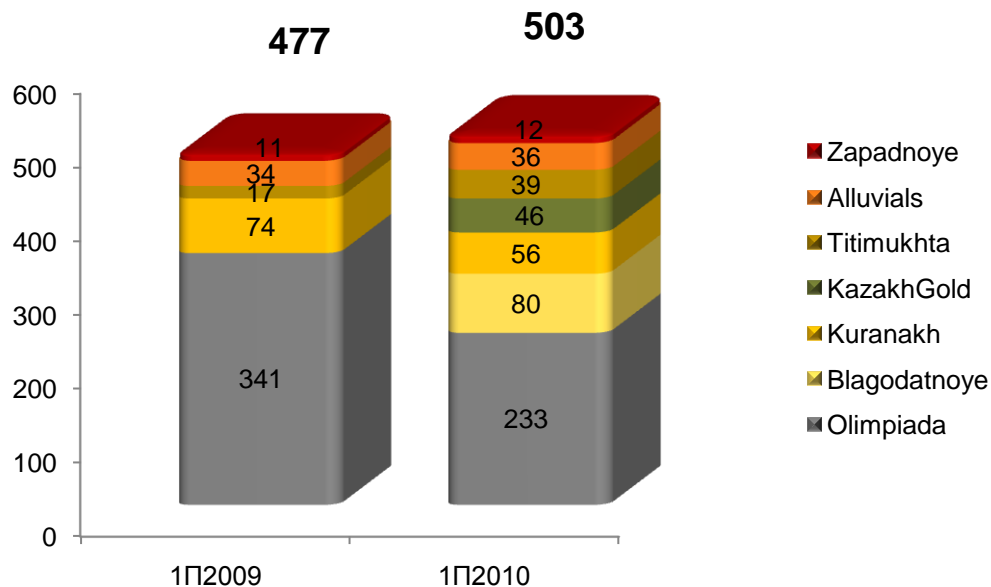
**Blagodatnoye:
launched in July 10**



**Verninskoye: to be
launched in 2011**



Gold production volumes, k oz*



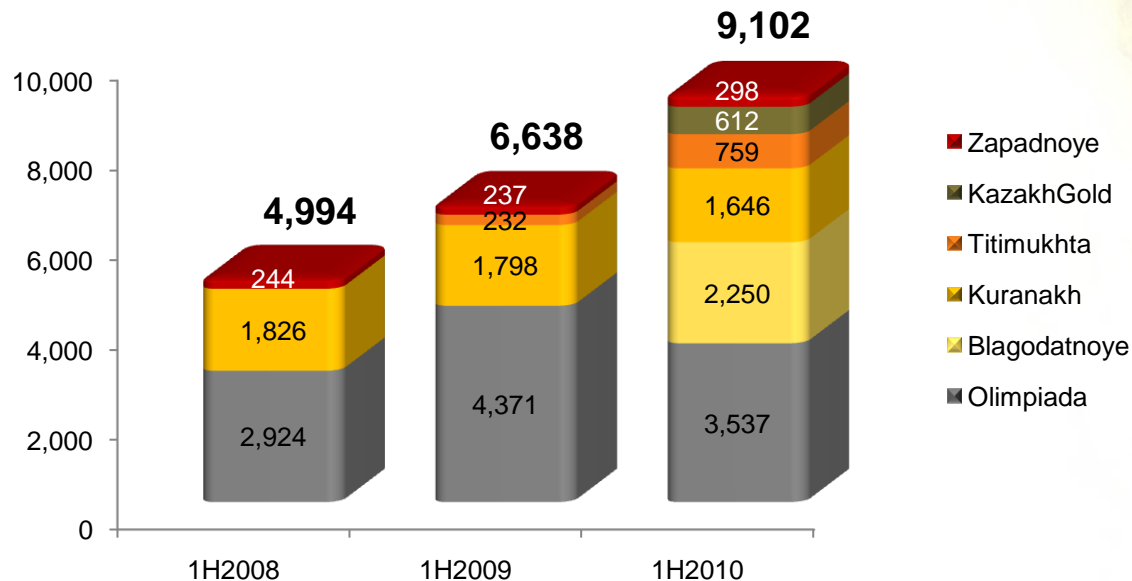
In the 1H2010 the Polyus Group produced 503 k oz of gold, showing a 5% Y-o-Y increase.

Main factors:

- Launch of the Blagodatnoye mine in a precommissioning mode;
- Enhanced capacities of Titimukhta;
- Acquisition of operating assets in Kazakhstan in August 2009;
- Adjustment of heat eliminating and aeration mechanisms in bio-leaching vats at Olimpiada (the Board approved 11 different points of modernisation of production facilities at Olimpiada. Full modernisation to be completed in the 1Q2011).

*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.

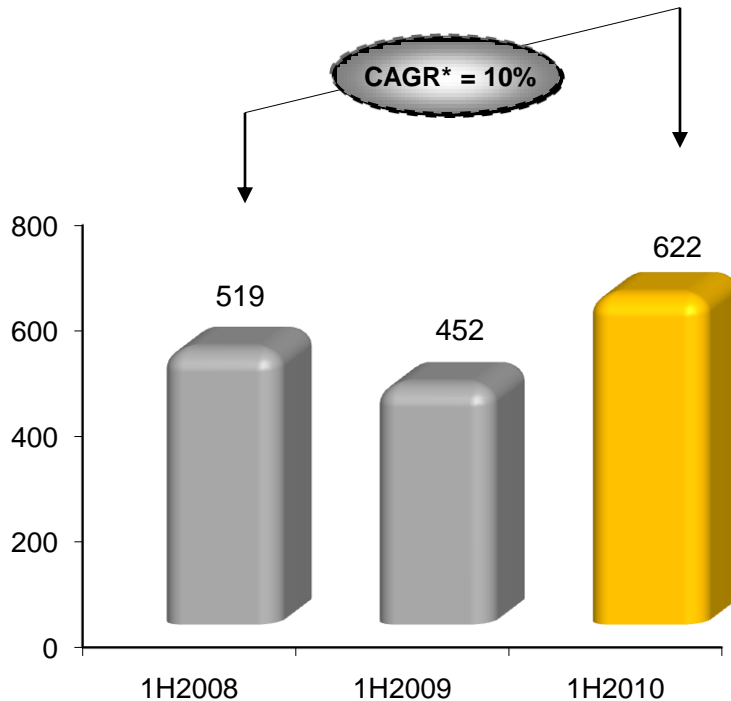
Ore processed, k tonnes



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

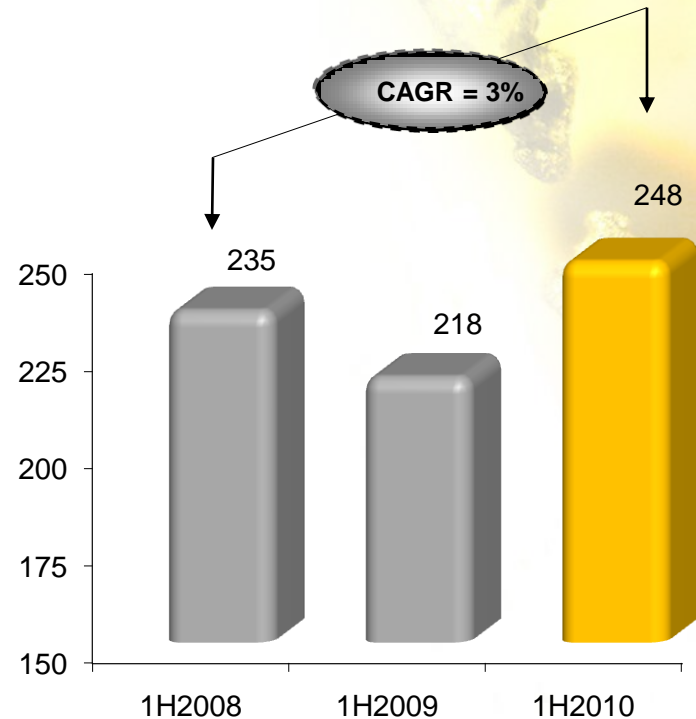
- Commencement of operations at the Blagodatnoye mine in a precommissioning mode;
- Consolidation of KazakhGold's processing results;
- Titimukhta capacities ramp-up.

Sales revenue, USD million



- Higher realized gold prices and increased sales volumes resulted in a 37% y-o-y growth in sales revenue;
- 2-year CAGR amounted to 10%.

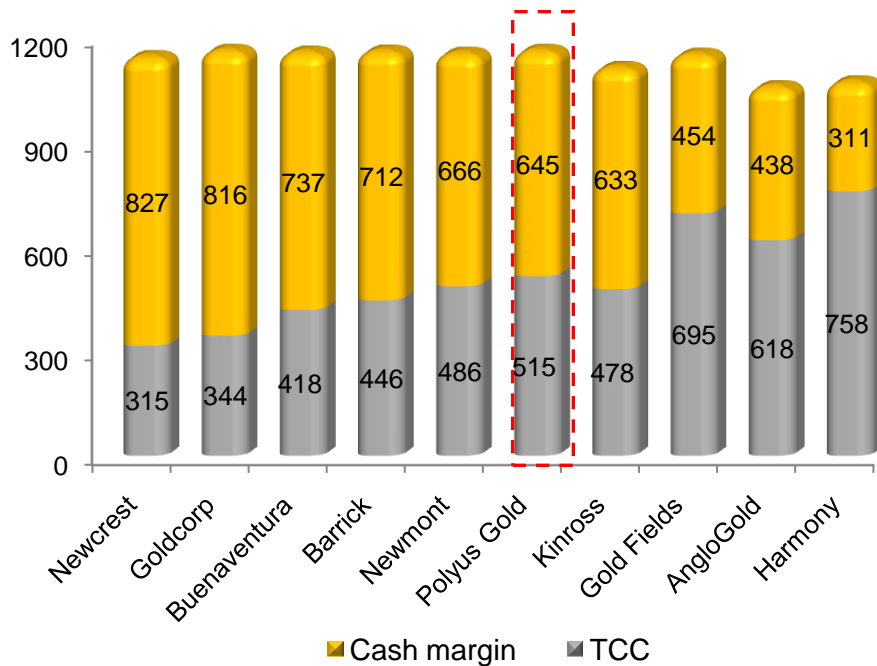
EBITDA, USD million



- EBITDA showed a 14% YoY growth, with a 2-year CAGR of 3%.

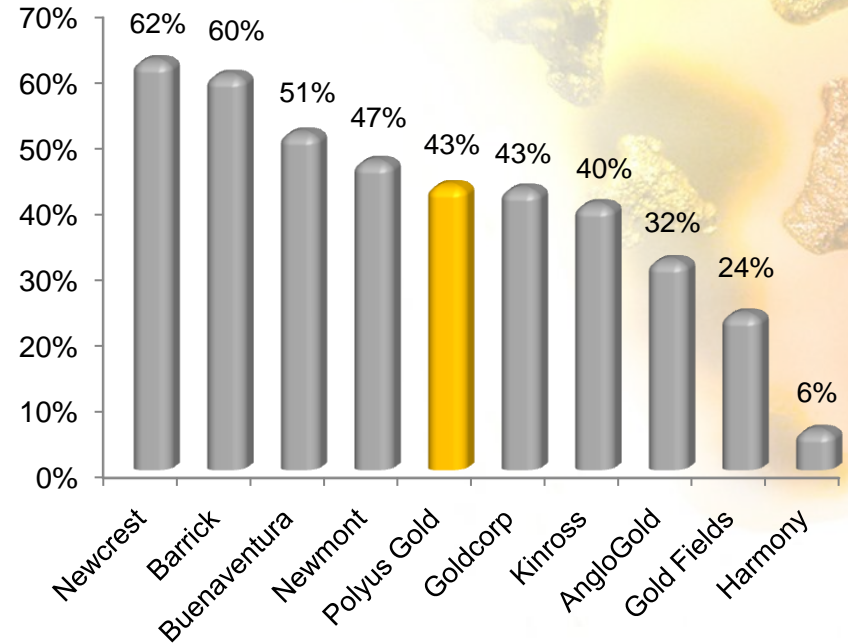
* CAGR – Compound annual growth rate, calculated based on figures in USD000's derived from the interim condensed consolidated financial statements for the six months ended 30 June 2010, and the Management report for 1H2010.

Cash margins and TCCs of world's leading producers in 1H2010, USD/oz



- Maintaining competitive position in the gold mining sector in terms of cash margin.

Peer comparison, gross margin*, %



- Still, Polyus Group maintains a competitive level of profitability among the global gold industry peers.

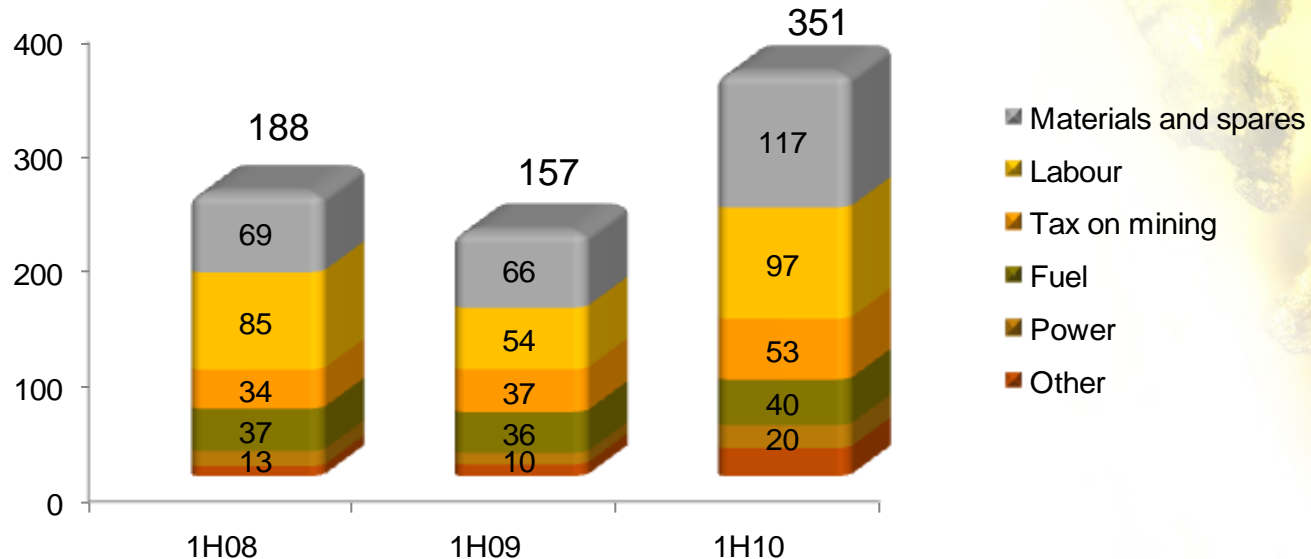
* Calculated based on the companies' reported selling prices for 1H2010.

** Source: companies' web-sites.

*Gross profit on gold sales margin.

Source: companies' web-sites.

Cash operating costs, USD million



Labour expenses:

- A substantial increase in the number of production personnel;
- Consolidation of KazakhGold for the full six months of 2010.;
- Planned 7-8% increase in salaries for operational personnel;
- Accrual of employee benefit obligation;
- Appreciation of the RUB relative to the USD.

Fuel:

- Exchange rate factor;
- Consolidation of purchases by KazakhGold (USD 1 mln);
- An increase in consumption of fuel offset by lower prices.

Materials and spares.

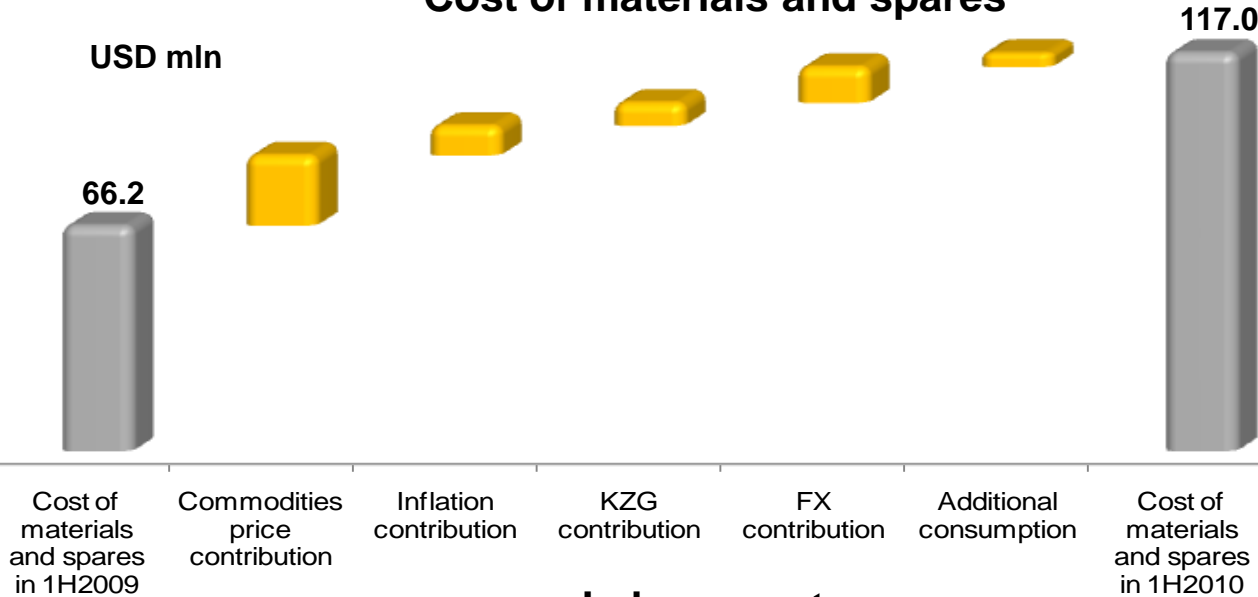
- Start-up at Blagodatnoye;
- Ramp-up of the Titimukhta capacities;
- Technical issues at the Olimpiada mine;
- Growth in purchase prices for materials (increases in steel prices ~ 30% and for cyanides) and industrial inflation (~10%);
- Purchases by the KazakhGold of USD 6,769 thousand
- The RUB appreciation.

Tax on mining:

- Higher average gold selling price;
- Enhanced production volumes;
- Addition of KazakhGold's tax charges;
- Exchange rate factor.

Cost of materials and spares

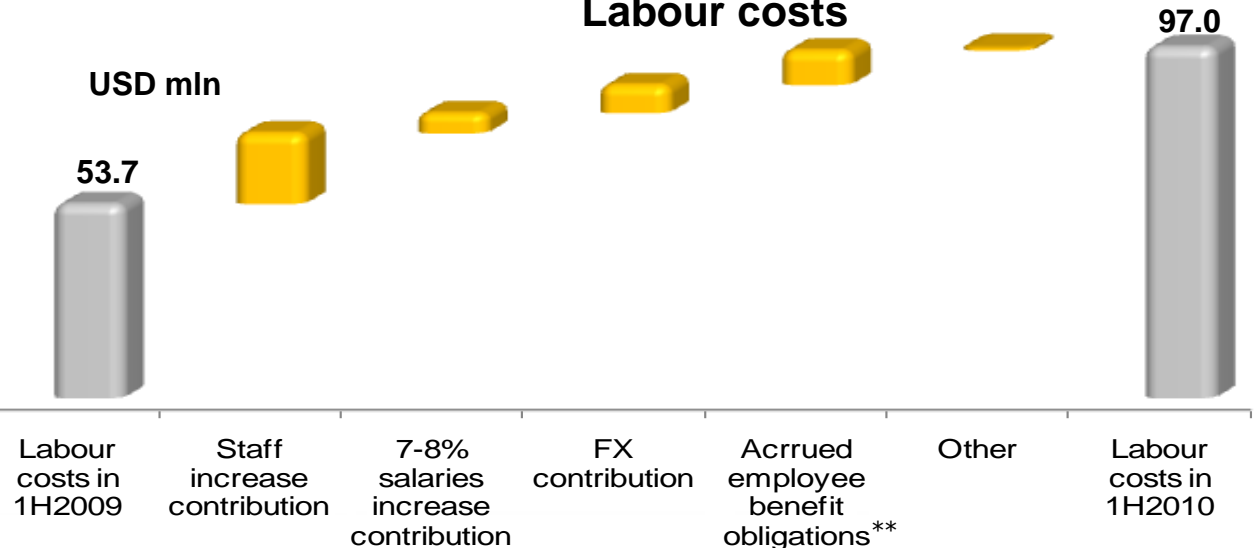
USD mln



Based on Company's estimates more than 75% of costs for materials and spares growth relates to macroeconomic factors (commodities price increase, inflation, FOREX).

Labour costs

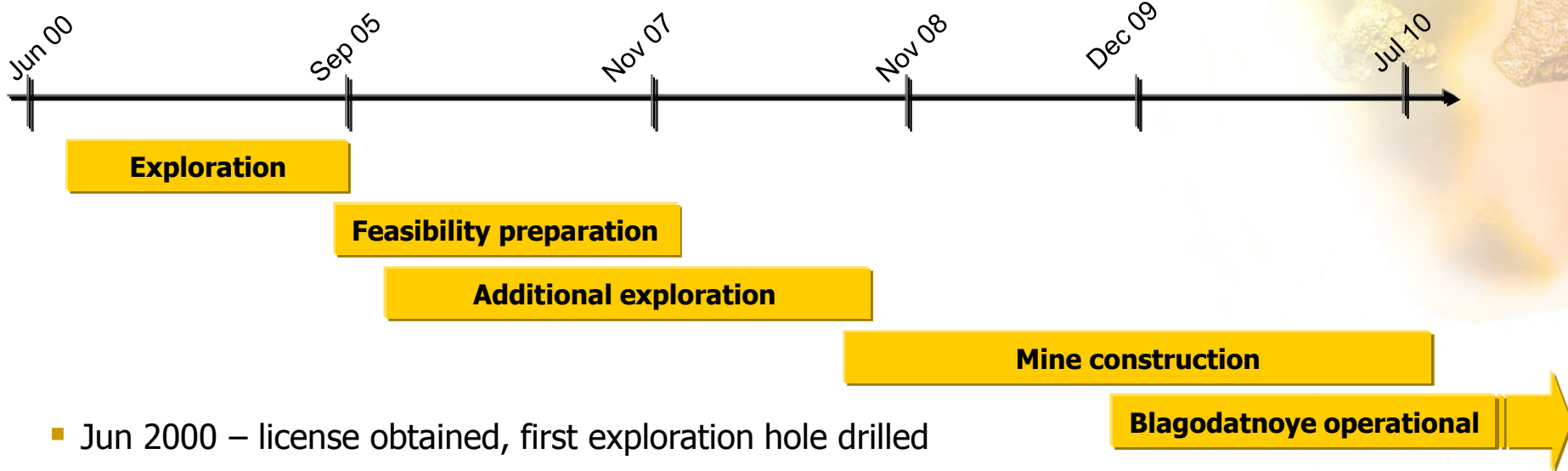
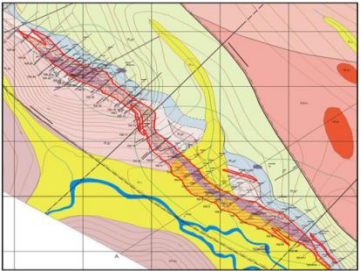
USD mln



Based on Company's estimates about 40% of labour costs increase relates to macroeconomic factors (obvious salaries increase following inflation growth + FOREX).

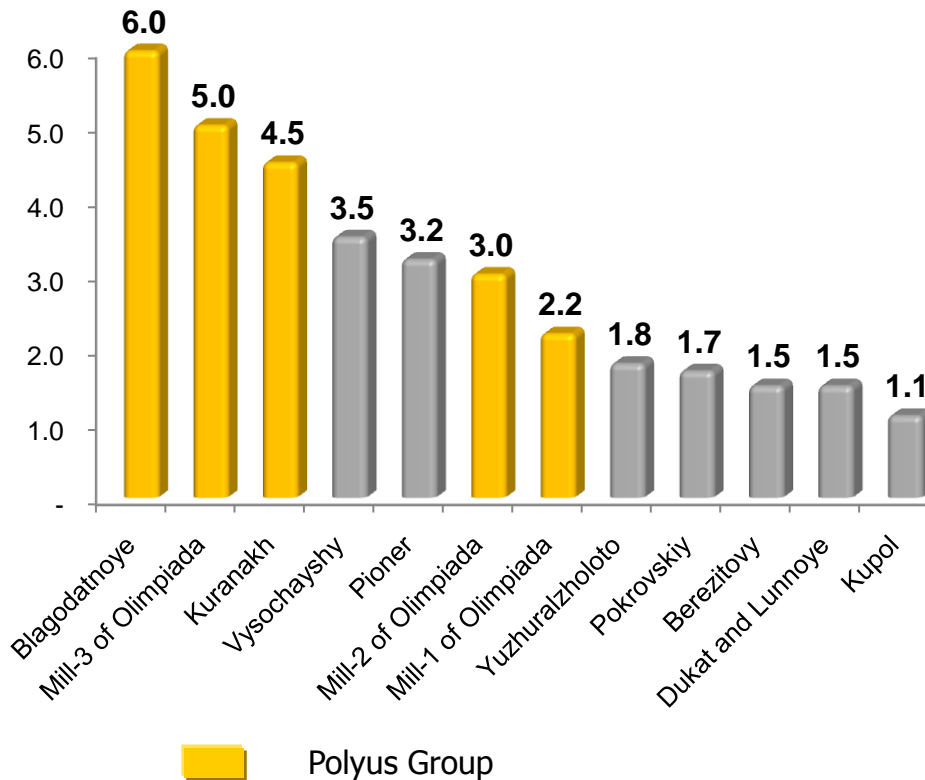
* Management accounting figures

** The Group signed collective agreements under which employees are entitled to certain defined benefit payment



- Jun 2000 – license obtained, first exploration hole drilled
- Sep 05 – exploration at Blago completed (done by Polyus), reserves listed on the State balance
- Nov 07 – BoD approved the project
- Nov 08 – JORC audit of extended reserves completed
- Dec 09 – mine launch in the pre-commissioning mode
- Jul 10 – first gold bullion smelted

Russia's largest gold ore processing plants, Capacity, MTPA



- Largest stand-alone gold mine in Russia
- Commissioned in July 2010
- Location: 25 km from Olimpiada, Krasnoyarsk Region





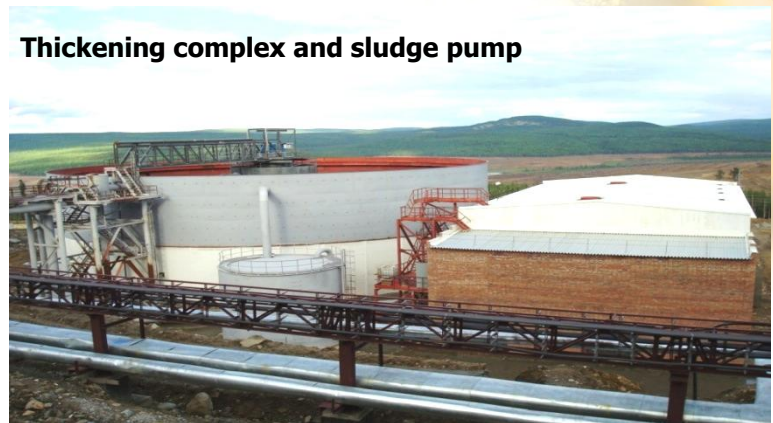
Mine life	2010 – 2031
Reserves (P&P, JORC)	9.9 m oz at 2.3 g/t*
Mill capacity	6 mtpa
Recovery	88.6%
Annual gold production	412 k oz
Capex (ex. VAT)	USD450 mln

- Technology: gravitation, floatation, intense cyanidation, sorption leaching
- Non-refractory ore, relatively straight forward processing process
- Proximity to Olimpiada creates synergy in terms of repair and maintenance, and social infrastructure



* Audited by Micon in 2008

- 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



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

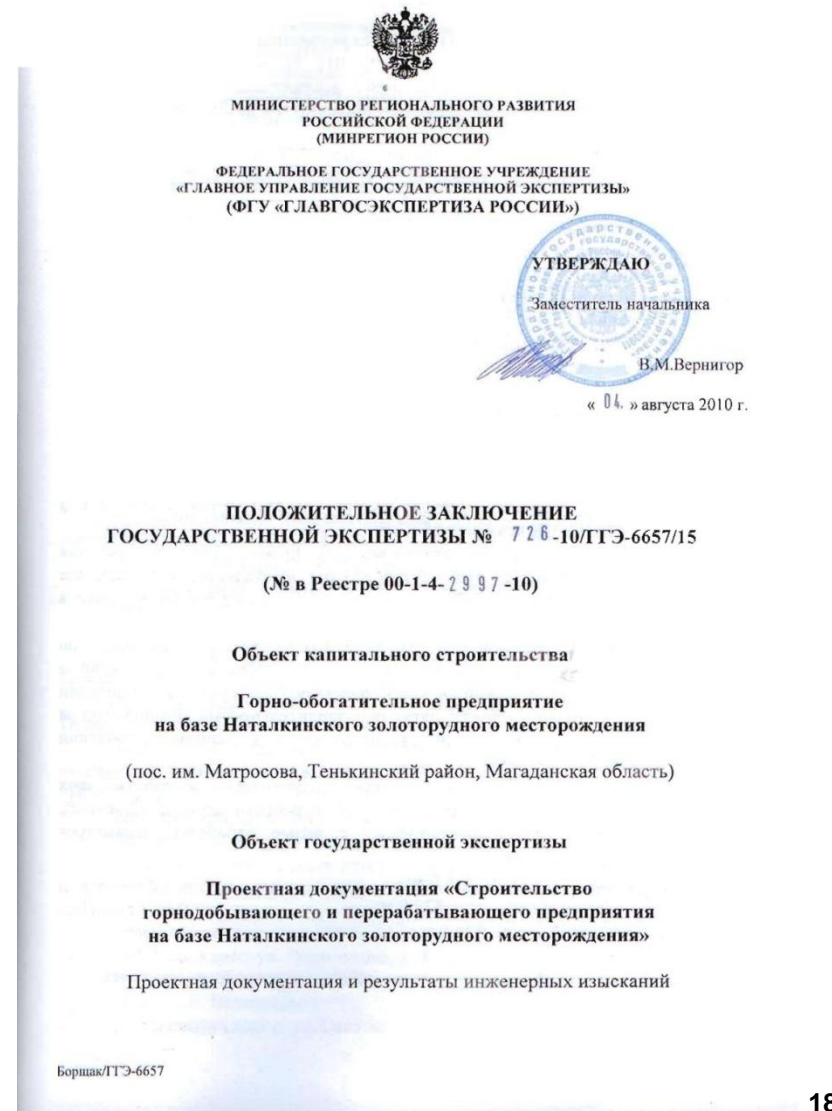
1H2010 Capex update:

- 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.



- 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 Nataalka mine.
- In June 2010, independent audit of the project documentation by SRK Consulting began.
- The approval of the Nataalka 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 Nataalka begins in 2013

Front page of the positive opinion of the State Expertise Committee



Nataalka development plan

Creation of new production facilities

- Construction documentation got the state approval
- Road construction underway
- Engineering and geological survey underway
- Seismological zoning
- Grade control drilling began

Technology development at the Pilot plant

- Industrial testing implemented (ore milling parameters optimization, technology of sorption cyanidation of concentrates, etc.)
- Over 50 thousand tonnes of ore processed;
- Achieved recoveries: at gravitation stage: 55%; in flot-gravitation-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



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 resource holders in CIS;
- LSE-listed and Jersey-registered entity;
- 7 subsoil use contracts in Kazakhstan;
- Well-developed infrastructure.

Development programme:

- 2010-2015 Capex: ~ USD 600 mln
- Upgrading of operating plants and productive capacities
- Commissioning of new facilities for underground and open pit mining (mills, power lines, press-filters, compressor house, etc)
- Construction of heap leaching shops and new plants
- 2010 CapEx expected at USD 66 mln (31 mln for exploration and 35 mln 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.

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:

Development strategy until 2020

- Existing capacities reconstruction - processing capacity increase up to 1.3 mtpa
- Construction of Central metallurgical plant to produce Dore gold
- Exploration program:

BS: Mineable reserves up to 8.4 moz

OS: Mineable reserves up to 11.5 moz

- Construction of new mills at Aksu, Bestobe and Zholymbet:

BS: Total mills capacity at 4.7 mtpa

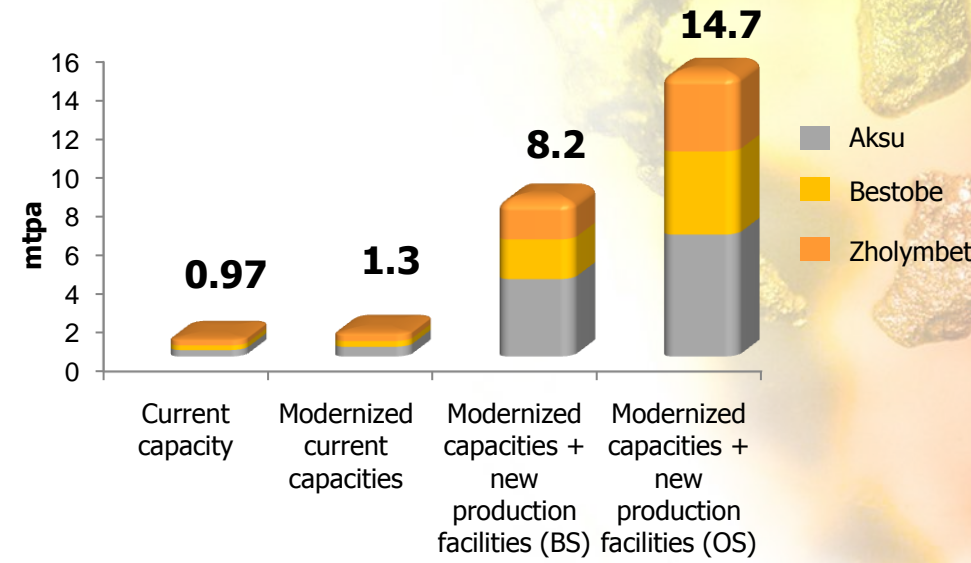
OS: Total mills capacity at 9.0 mtpa

BS: Gold output in 2016 – 500 k oz

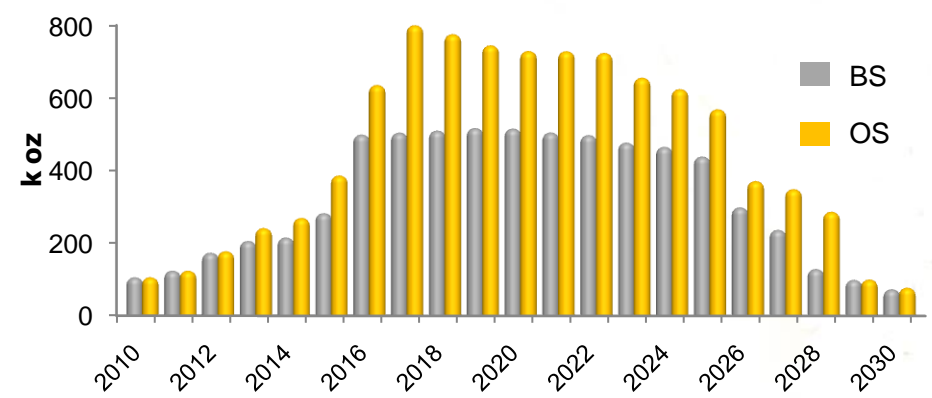
OC: Gold output in 2016 > 600 k oz.

BS – base case scenario, **OC** – optimistic scenario.

Processing capacity pipeline*



Production



* Doesn't include capacities of Akzhal.

PROJECT

STATUS

- | | |
|---|--|
| <ul style="list-style-type: none"> ■ Commissioning of Mill-3 at Olimpiada (2007) |  Done |
| <ul style="list-style-type: none"> ■ Commissioning of Titimukhta (2009) |  Done |
| <ul style="list-style-type: none"> ■ Expansion to CIS (2009) |  Done |
| <ul style="list-style-type: none"> ■ Construction of Blagodatnoye (2010) |  Done |
| <ul style="list-style-type: none"> ■ Construction of Verninskoye (2011) |  Under way |
| <ul style="list-style-type: none"> ■ Construction of Nataalka (2013) |  Gov. approval received;
Construction permission pending |
| <ul style="list-style-type: none"> ■ Competitive 1H 2010 IFRS results: <ul style="list-style-type: none"> ■ 38% increase in sales, 14% increase in EBITDA; ■ Competitive profitability level; ■ Hedge free, cash positive; ■ Dividend policy strictly followed | |

	P/Sales	P/EBITDA	P/Reserves
Polymetal	11	25	348
Petropavlovsk	8	16	531
Centerra	6	29	548
Average	8	23	476
Polyus Gold	8	16	131

- Financials (Sales, EBITDA) and Reserves (JORC 2P) as of 31 Dec 2009. Mcap as of 21 Sept 2010.
- Polyus Gold, Polymetal and Petropavlovsk quotation at LSE, Centerra at TSX.