



We know the worth of gold

POLYUS GOLD GROWTH FOR VALUE: GREAT DISCOVERIES AND ON-GOING DELIVERY

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2006 PERFORMANCE UPDATE NEW PROJECTS DEVELOPMENT

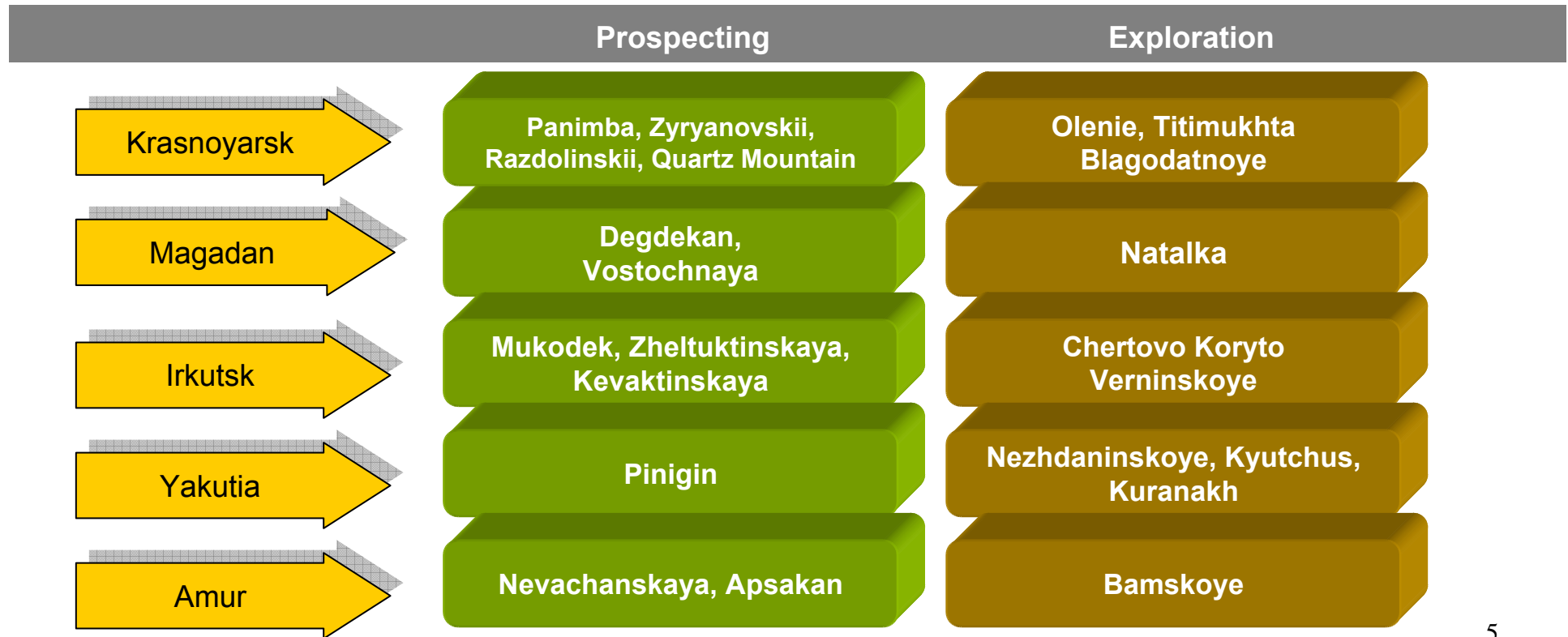
POLYUS GOLD: OVERVIEW

- Russia's largest gold miner – 23% market share by production output, 25 year track record in the Russian gold mining
- A public company with a free float of approx. 49%, listed and traded in Russia (RTS & MICEX), UK (LSE Main Board) and the U.S. (OTC).
- Market cap as of April'07 over US\$ 8 billion, 6th largest globally
- Outstanding mineral resources base:
 - 96 m oz of Russian balance reserves (B+C1+C2)
 - 50.8 m oz of Proved & Probable reserves (JORC)
- Production'06: 1.2 million ounces
- Estimated financials'06:
 - revenues of US\$739 million
 - EBITDA over US\$300 million
 - operating profit over US\$200 million

THE LARGEST EXPLORATION PORTFOLIO IN RUSSIA

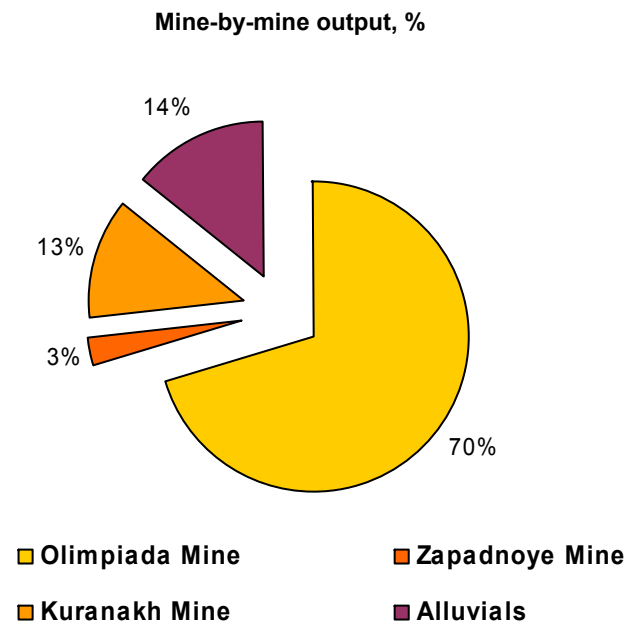
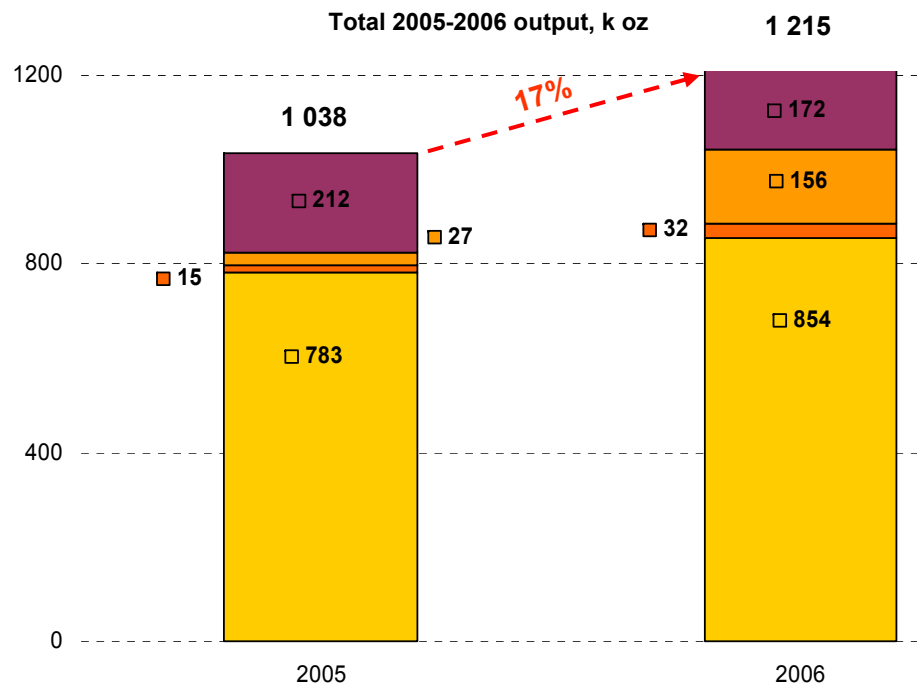
Exploration programme 2007-2010:

- 22 greenfield/ brownfield projects in 5 leading gold mining regions of Russia
- Diamond drilling of over 1 200 km
- Growth of up to 119.1 m oz* of Russian C1+C2 reserves



* Excluding Natalka's ounces

2006 PRODUCTION UPDATE: MEETING THE TARGETS

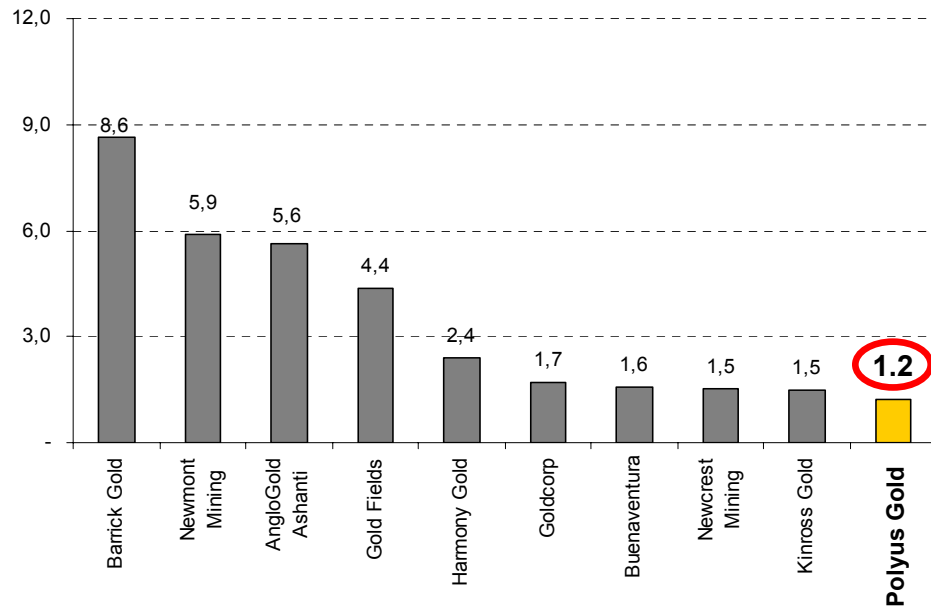


- 17% year-on-year increase of production coming from Kuranakh mine acquisition and organic growth at Olimpiada

2006 PERFORMANCE: EMERGING TOP 10 GLOBAL PLAYER

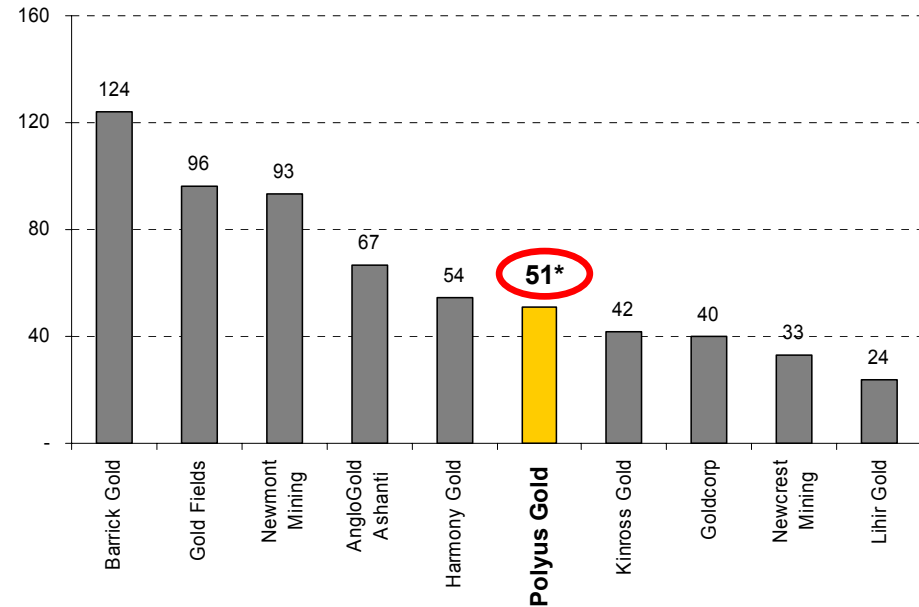
10th largest gold producer

2006 top 10 global gold producers, m oz



6th largest reserves

2006 top 10 global P&P reserves (JORC), m oz



1215 k oz of Au produced in 2006 emerging PLZL as TOP-10 global producer

4x increase of the audited P&P reserves for the last two consecutive years with 50.8 million oz by the end of 2006.

DIVIDEND POLICY APPROVED

Board of Directors recommends the AGM to approve dividends for 2006

**Amount of USD24.1 million
(RuR 615,7 million) announced to
be paid by the end of August 2007***

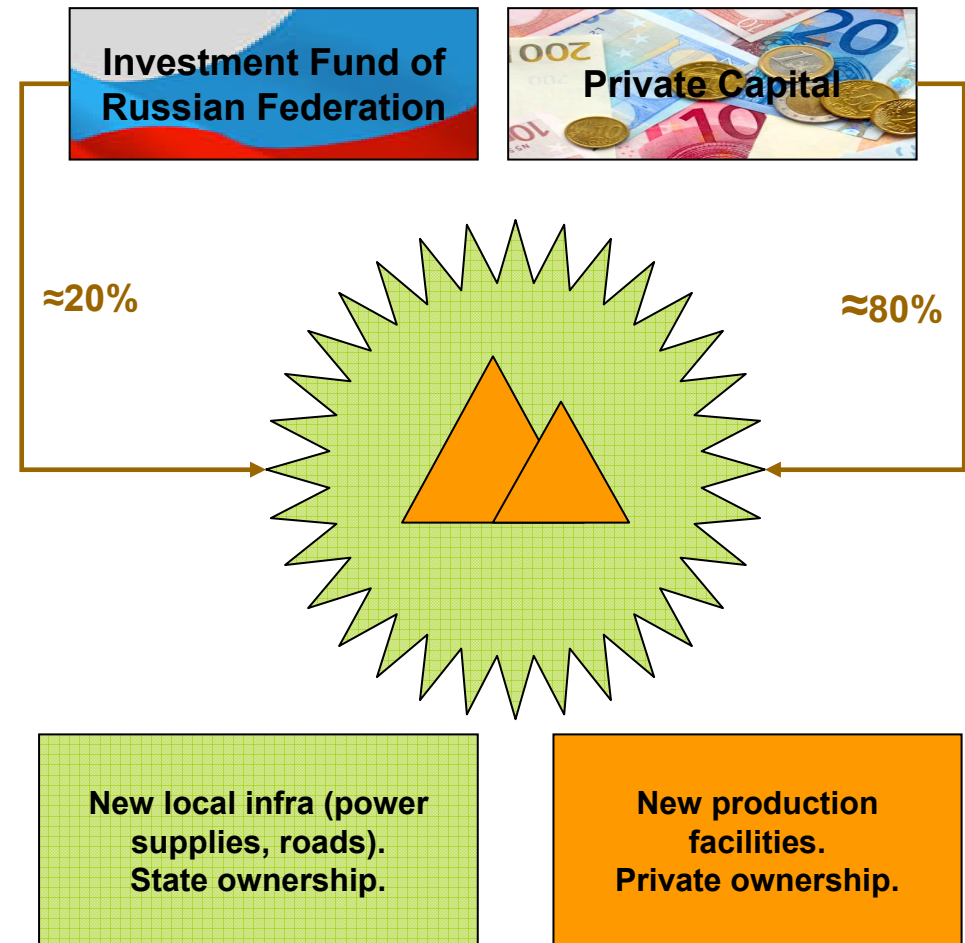
**100% of OJSC Polyus Gold profit
under RAS, excluding compulsory
reserved funds**

- In April'07 new corporate Dividend Policy approved by the BoD in line with the best corporate governance practice – aim to pay dividends **up to 25%** of the profit for period (net profit) calculated in accordance with the IFRS:
 - Russian legal framework provides for dividends to be paid out of the Company's profit calculated according to the financial statements prepared under Russian Accounting Standards (RAS).
- BoD takes into account **the limitations** imposed by:
 - needs to finance the Company's production development and investment projects, as well as to manage its debt

* - Final decision to be taken by the AGM on June 29, 2007.

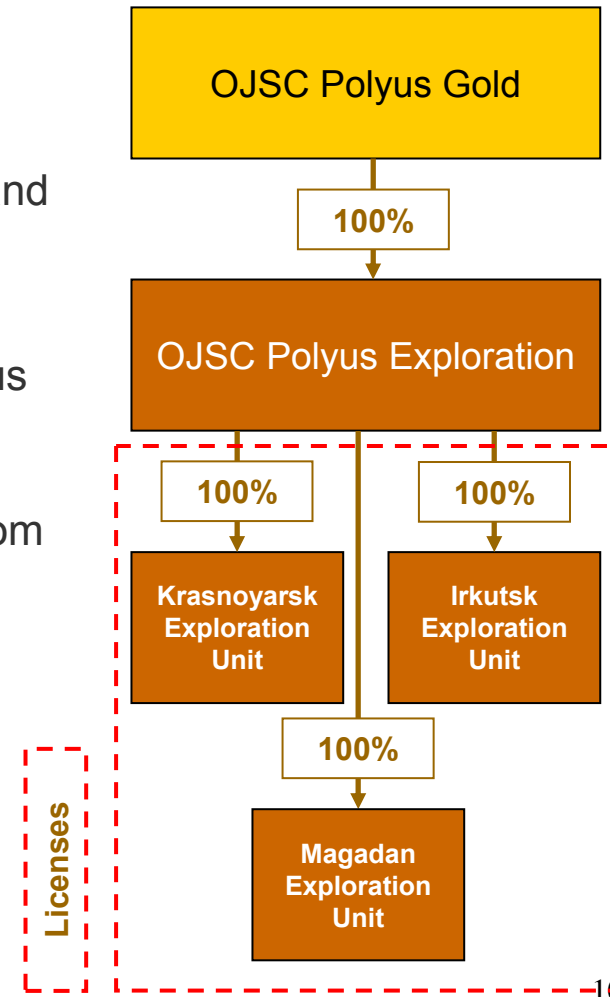
WINDOW OF OPPORTUNITY: INVESTMENT FUND

- In 2005 Russia's State Investment Fund established to finance development projects in the regions:
 - 2007 amount estimated as RuR110 billion (US\$4.3 billion)
- Unique opportunity for business to optimize CapEx for large scale projects:
 - 2 projects in metallurgy/mining approved, with the total amount of RuR75.2 billion (US\$2.9 billion) provided through Investment Fund
- Polyus Gold applies with 2 projects to the Governmental Commission in 2007:
 - **Natalka** (local power supply line), US\$235 million
 - **Nezhdaninskoye** (new road, local power supply line), US\$330 million



EXPLORATION BUSINESS: STREAMLINE

- Creation of Polyus Exploration – rationale:
 - mitigate risks for the shareholders of OJSC Polyus Gold;
 - operational management efforts to concentrate on minex and brownfield;
 - bring more transparency to funds' allocation
 - create option for possible carve-out in favor of OJSC Polyus Gold shareholders
- Polyus Ex inherits 6-7 greenfield titles (early stage only) from the parent OJSC Polyus Gold
- Polyus Ex to take part in new licenses' auctions



PROJECT DEVELOPMENT: NEZHDANINSKOYE

- Russia's 3rd largest gold deposit by GKZ classification (B+C1+C2):
 - Natalka (48 m oz)
 - Sukhoi Log (33 m oz)
 - **Nezhdaninskoye (15.3 m oz)**
- Exploration programme 2006-2010 underway:
 - ultimate target of 1005 tonnes (32.3 m oz) of Russian B+C1+C2 set up;
 - total budget of US\$53 million
- Scoping study provides for a combination of **open pit** and **underground mine**:
 - average annual gold production estimated at 320-380 k oz
 - CapEx estimated at US\$650 million



2007 MILESTONES

Projects Development

Submit exploration results at Chertovo Koryto and Titimukhta to the State Committee

Pre-Feasibility Study for Nataika

Scoping Study for Nezhdaninskoye

Production Development

Launch of Mill-3 at Olimpiada

Scoping Study for Kuranakh expansion

Corporate Development

Implementation of the comprehensive cost cutting programme

Structuring exploration business



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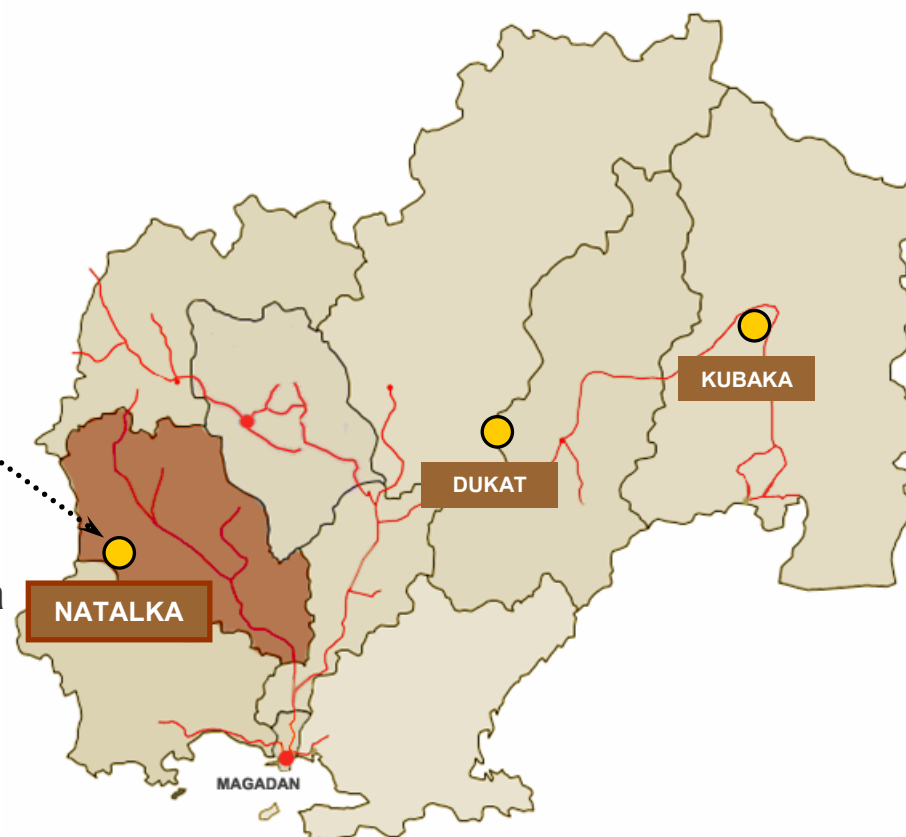
CASE STUDY: NATALKA GREAT DISCOVERY

NATALKA DISCOVERY



- Located in Magadan region, underground mine since 1945
- 2003: license acquired from the Government for US\$34.5 million
- 2004: production shut down to make a way to a large scale exploration effort
- 2004-2006: exploration programme carried out:

Drilling grid - 200x100/50 m
 Diamond drilling - 118 900 m
 Underground workings - 3 808 m
 Trenches - 654 500 cubic m
 Samples - 49 855



Total project budget amounted to US\$100 million (including exploration budget of US\$65 million)

Total exploration costs amounted to US\$3.2 per ounce.

NATALKA AREA AND PIT OUTLINE



NATALKA DISCOVERY: RUSSIA'S LARGEST ...

- Large scale exploration programme resulted in listing with GKZ Rosnedra (State Commission on Reserves Evaluation)*, of 1500 tonnes (48 mln oz) of balance reserves (Russian classification).
- **January 2007 GKZ listed reserves and scoping study:**

Grade	1.7 g/t
Balance reserves in pit outline B+C1+C2	1500.8 t / 48 mln oz
Balance reserves in pit outline B+C1	1282.9 t / 41.2 mln oz
Off balance reserves B+C1+C2	335.3 t / 11 mln oz

Cut off grade	0.4 g/t
Mine life	about 30 years
Mill capacity	40 mtpa of ore
Recovery	ca. 87%
Average annual production	over 1 mln oz
CapEx	ca. US\$1.5 billion
TCC	ca. US\$270/oz

* - GKZ Rosnedra is a governmental body responsible for the state expertise of mineral resources and listing of reserves. State listing of reserves is a legal pre-requisite for further development and mining of the deposit; it also means that the scoping study (TEO condicii) of the deposit was considered viable by GKZ Rosnedra.



... AND WORLD'S #3 GOLD DEPOSIT

#	Deposit / Group of Deposits	Country	Owner	P&P Reserves		By-product / Co-product	Status
				Grade, g/t	Gold, mln oz		
1	Grasberg	Indonesia	Freeport-McMoran	0,9	83,5	Copper	In production
2	Muruntau	Uzbekistan	Navoy GMK	2,5	48,2		In production
3	Natalka*	Russia	Polyus Gold	1,7	41,2		Not in production
4	Nevada Operations	USA	Newmont Mining	1,5	33,3		In production
5	South Deep	SAR	Gold Fields	7,7	29,3		In production
6	Sukhoi Log*	Russia	State owned	2,8	26,0		Not in production
7	Cerro Casale	Chile	Kinross/Bema Gold	0,7	22,9	Copper	Not in production
8	Lihir Island	PNG	Lihir Gold	3,5	21,0		In production
9	Pascua-Lama	Chile	Barrick Gold	1,4	18,3	Silver	Not in production
10	Telfer	Australia	Newcrest Mining	1,3	17,0	Copper	In production

* On the premise that 100% of Russian balance B + C1 are transferred into P&P Reserves

NATALKA: NEXT STAGES OF THE PROJECT

Development of Pre-Feasibility (PFS) and Feasibility (FS) studies:

- Pre-Feasibility, 1H 2007
- Feasibility, 2H 2007 – 1H 2008

International tender on the development of PFS and FS was held, consortium of the experienced contractors was tendered

New audit of reserves to be carried out in summer 2007:

- Our experience tells that Russian B+C1 are fully convertible into international P&P.
If 100% of B+C1 are proved as P&P, Nataalka reserves would increase up to 41.2 million oz
- Polyus Gold' total attributable P&P reserves may increase up to 67.8 million oz to rank the Company's reserves as world's 4th after Barrick Gold, Gold Fields and Newmont Mining

SUMMARY

Leading Russian gold producer in high growth potential market

- Proven industry leadership
- Significant mineral resources – six out of ten largest Russian gold deposits
- Extensive greenfield/exploration portfolio – new potential discoveries

Ambitious strategy to become Top 5 global gold producer by 2015

Strong management with excellent track record

- Delivery of promises at spin-off from Norilsk Nickel
- Successful M&A in Russian gold mining
- Cost control
- Project completion

Outstanding organic growth story

- Strong project pipeline which targets tripling of production by 2015
- Effective exploration at a low cost