



We know the worth of gold

POLYUS GOLD

THE LEADING RUSSIAN GOLD MINER

Deutsche Bank BRICS Metals & Mining Conference
London, 13-14 November, 2006



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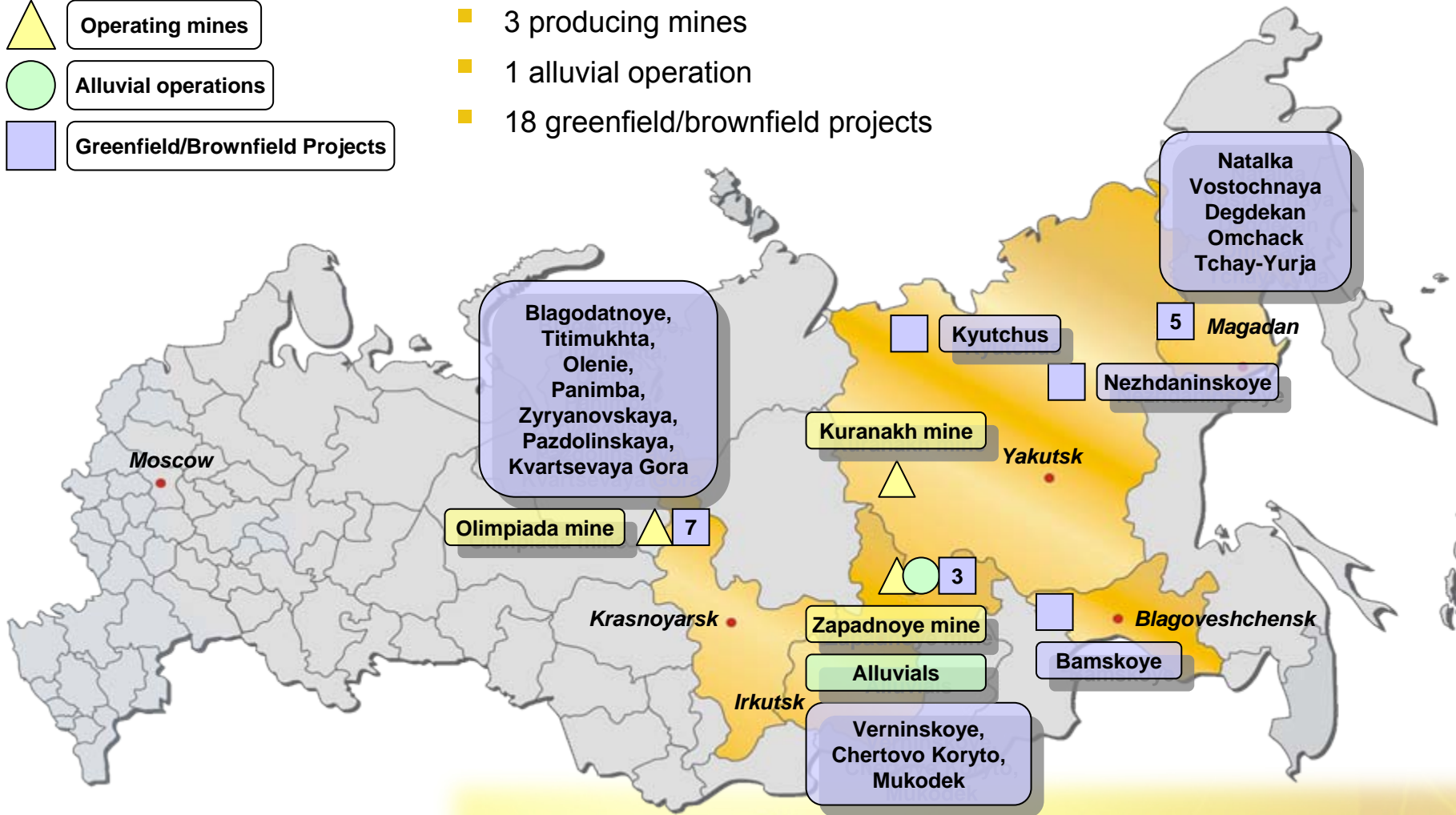
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POLYUS GOLD: MAP OF OPERATIONS

-  Operating mines
-  Alluvial operations
-  Greenfield/Brownfield Projects

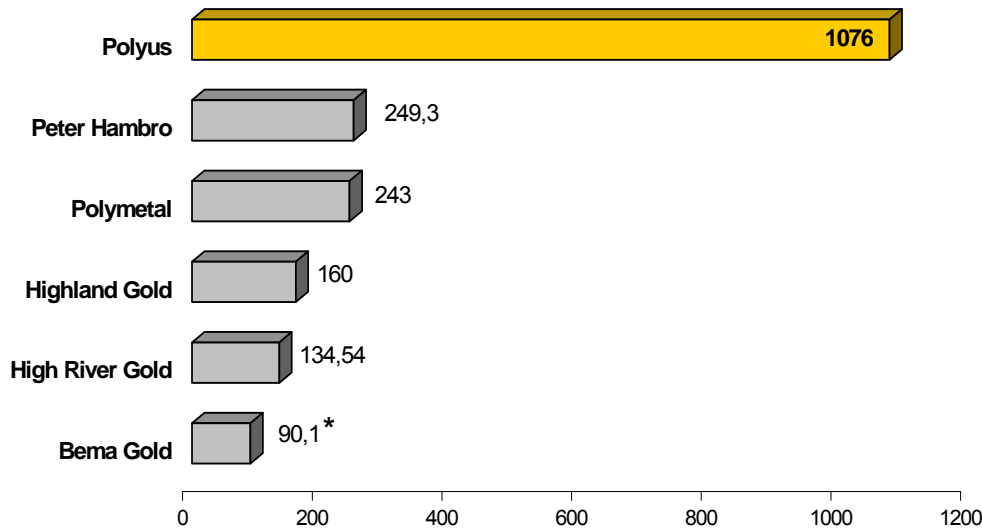
-  3 producing mines
-  1 alluvial operation
-  18 greenfield/brownfield projects





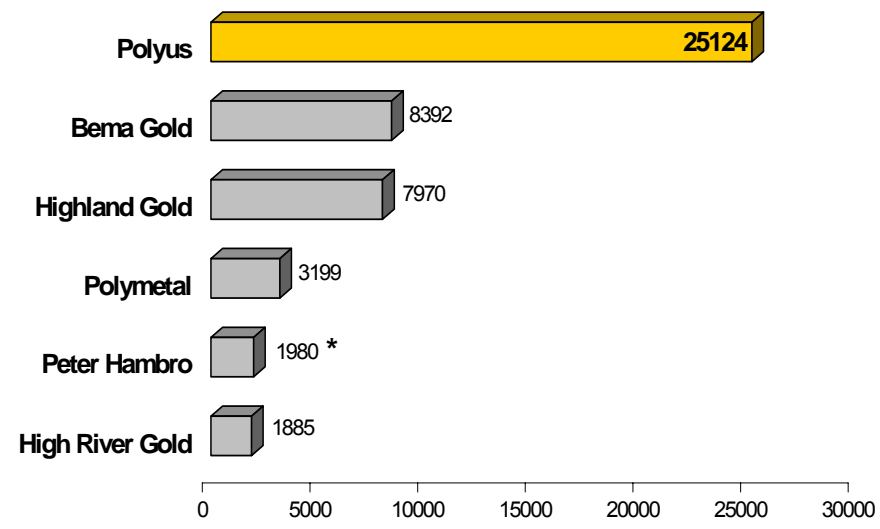
POLYUS GOLD: LEADERS IN RUSSIA

Annual Gold Production, k oz (2005)



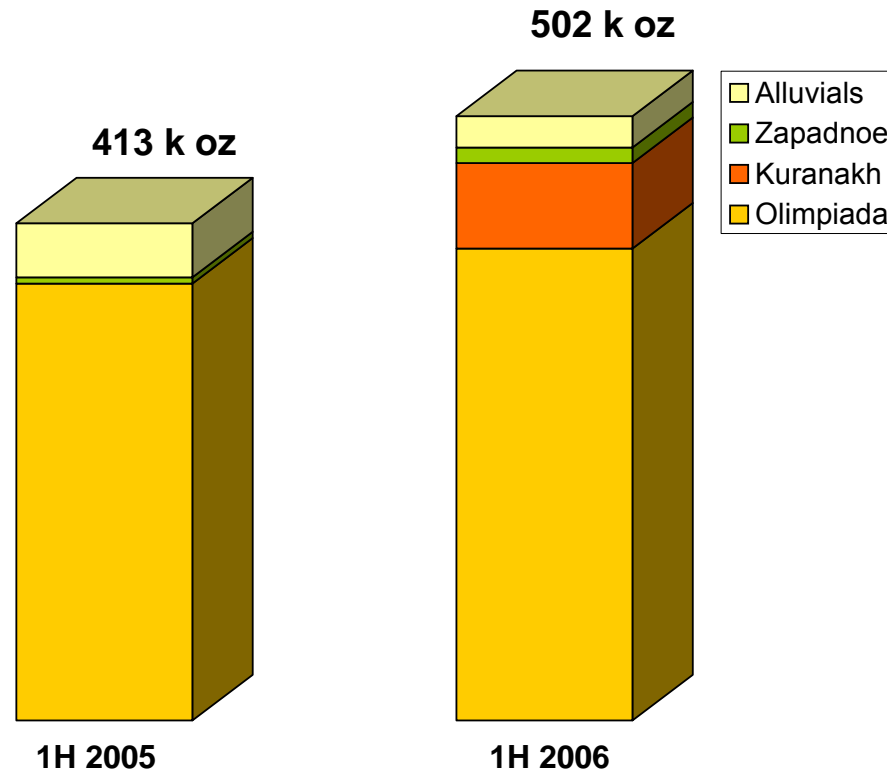
* - production in the Russian Federation only

JORC Reserves, k oz (2006)



* - unaudited

POLYUS GOLD: H1 2006 PRODUCTION UPDATE

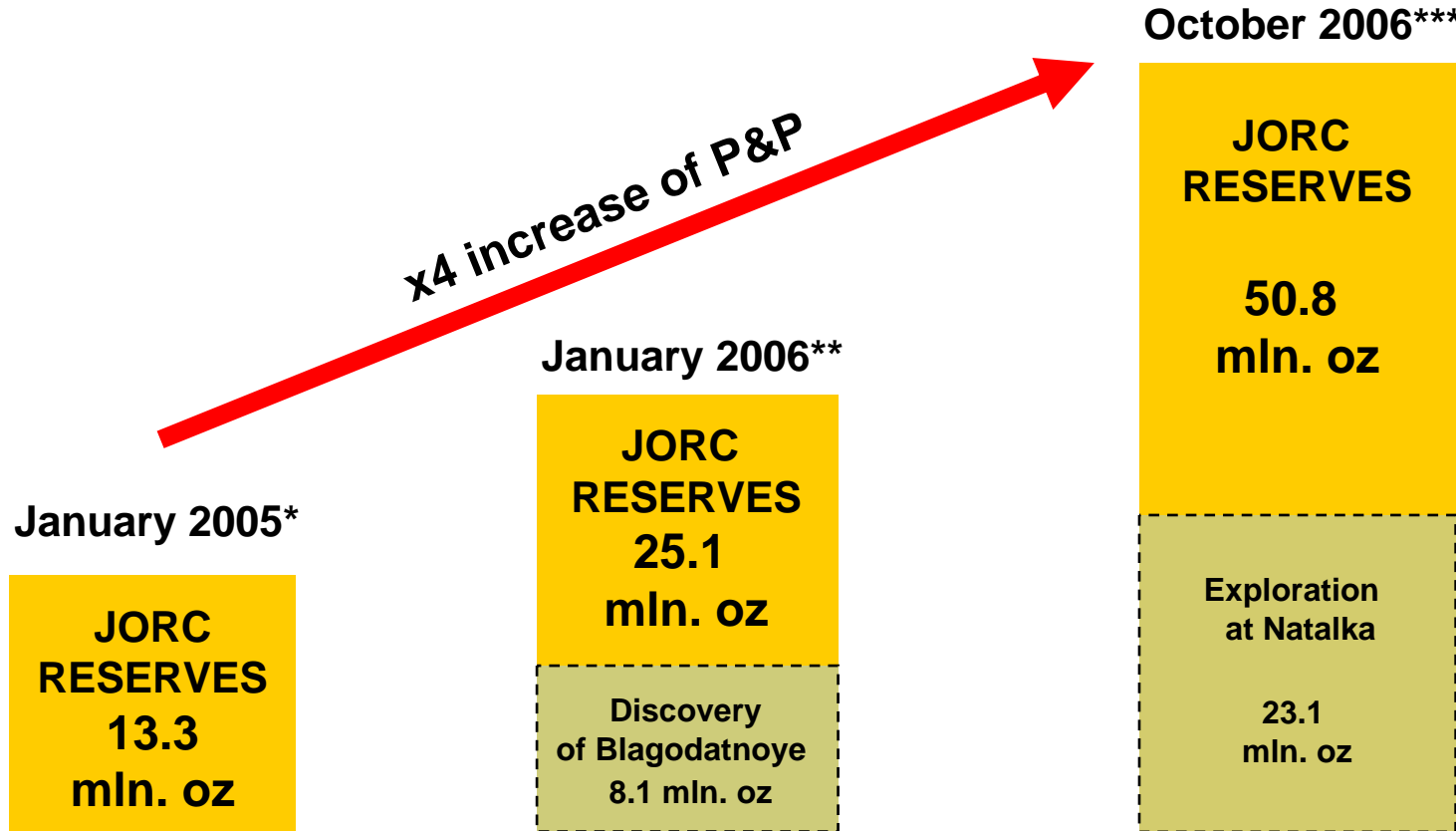


Y-on-Y 22% increase due to organic growth and Kuranakh mine (Aldanzoloto) consolidation



REMARKABLE GROWTH OF RESERVES

Successful exploration at Nataalka resulted in doubling the Group's P&P in 2006



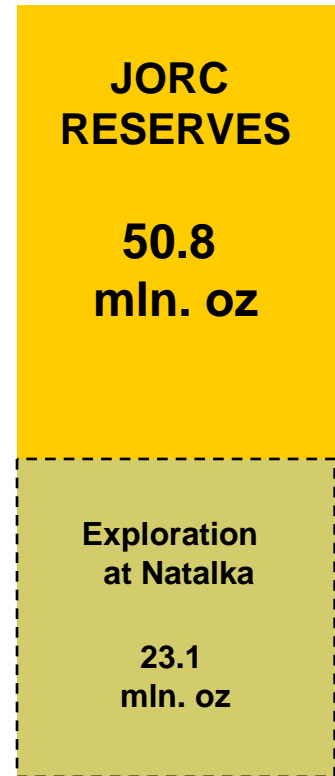
January 2005*



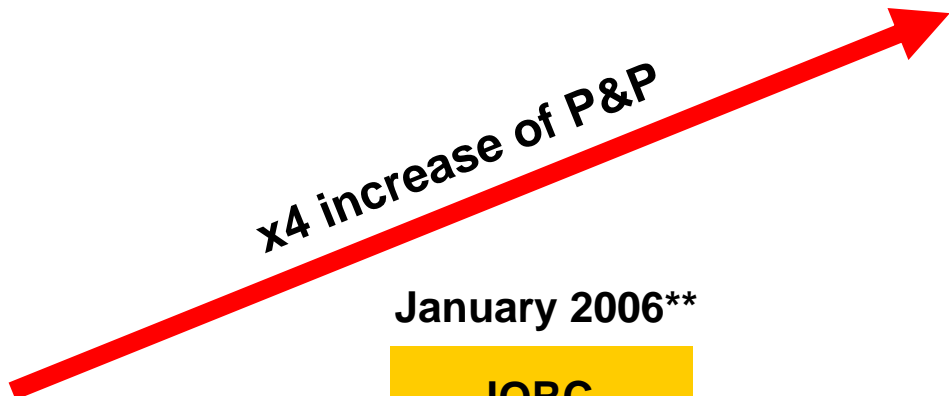
January 2006**



October 2006***



x4 increase of P&P



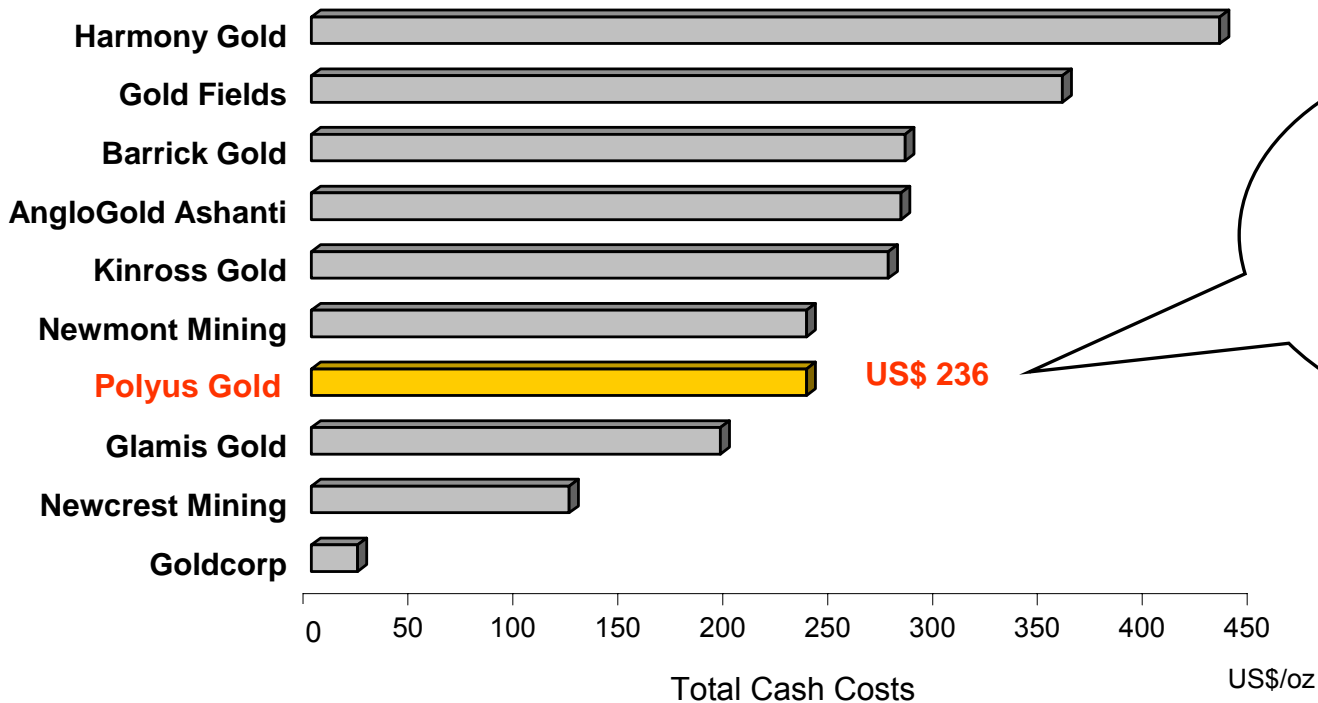
* As audited by SRK Consulting in 2006

** As audited by SRK Consulting and Micon International in 2006

*** Estimated by Micon International in July - October 2006 as part of the preparation of Independent Expert's Report on Polyus' assets



COSTS PEER COMPARISON FOR 2005



Favorable position
vs. global peers
*(Top 10 largest gold
producers by market cap)*

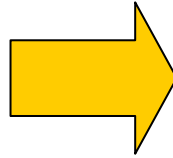
Source: companies' data

STRATEGY 2006-2015: KEY ELEMENTS



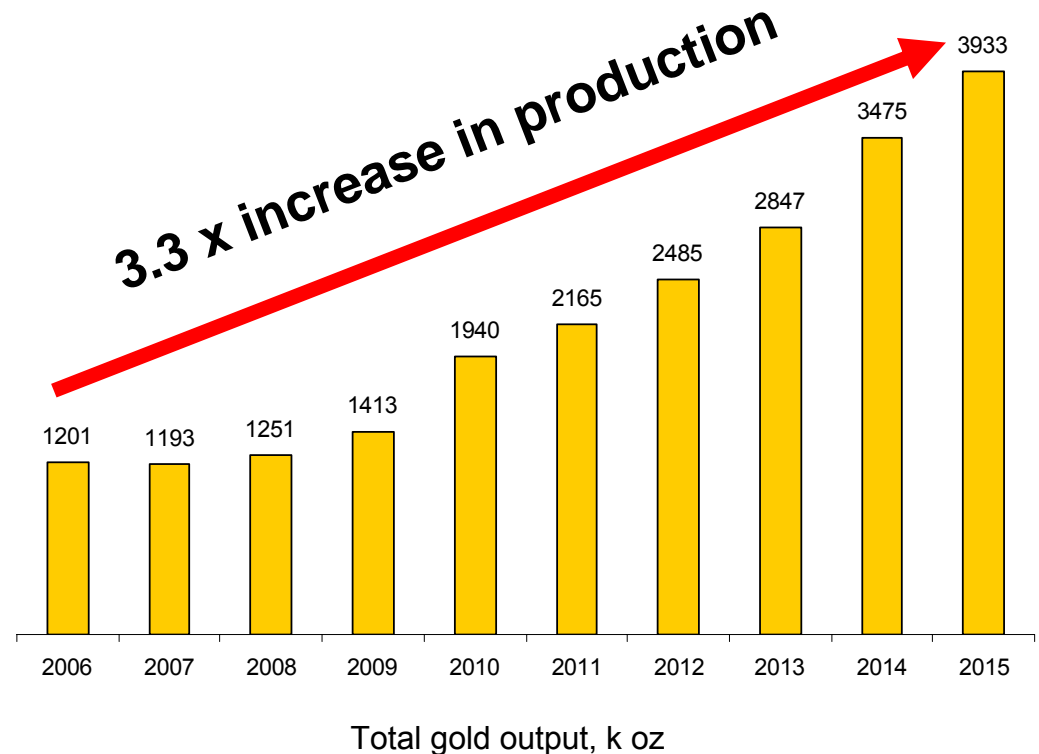
STRATEGY 2015: EXPLORATION AND PRODUCTION TARGETS

Key target for 2015:

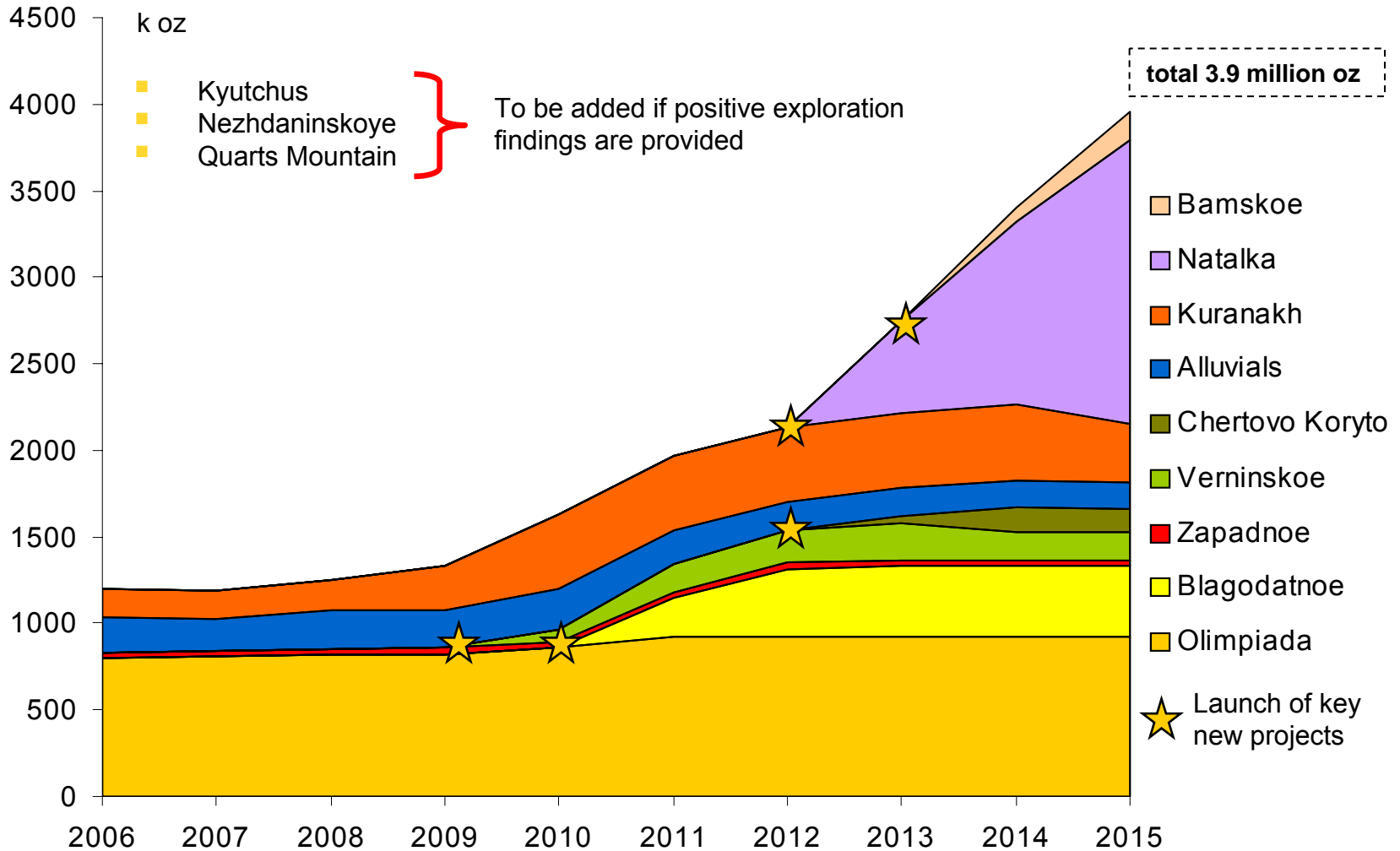


Become a TOP-5 global gold producer

- Proven and Probable (JORC) reserves of at least **68 m oz**
- Annual production volume of at least **3.9 m oz**
- Production capex in the period of **US\$3.4 billion***
- Exploration programme of up to **US\$800 million** in 2006-2015 at existing and new sites



Note: effective at a gold price of US\$550-600/oz



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STRATEGY 2015: FINANCIAL TARGETS

Key target for 2015:  Become a TOP-5 global gold producer

- EBITDA of **US\$710 - US\$900 million**
- Net cash flow of **US\$600 - US\$710 million**
- Net debt not over **US\$100 million**

NEW CORPORATE INITIATIVES FOR 2006



SHARES BUY-BACK: UNDERWAY

- Equal treatment for ADR and local shares holders provided.
- Tender offer compliant with SEC and FSA rules.
- Fairness opinion issued by Deutsche Bank.
- Offer commenced on October 4th, expired on November 3rd. Holders of 147 428 703 shares applied (representing approx 77% of outstanding shares)
- US\$1 billion will be distributed among the applicants on a pro-ration basis, as planned. The pro-ration rate calculated as 0.1169.
- 17 241 379 shares, representing approximately 9% of the issued share capital, will be purchased at a price of US\$ 58 per share.
- Successful cash delivery to the existing shareholders will be executed till November 23rd.

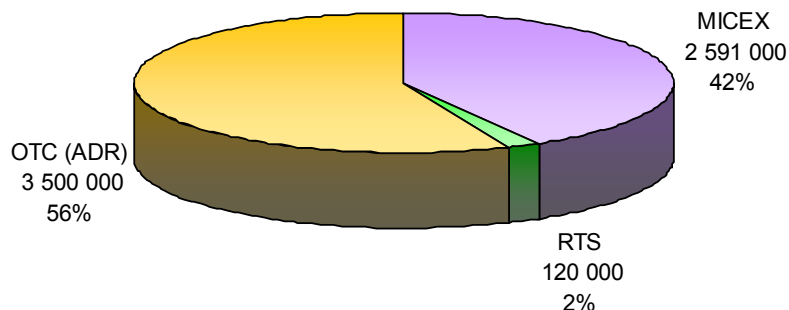
Intention to list on LSE

- Listing only: no funds to be raised
- Delivery of a promise made at the spin-off stage – listing of ADRs on a major international stock exchange
- Independent Expert’s Report is being prepared by Micon International
- Rationale:
 - Allow access to investors unable to trade in the OTC
 - Enhance liquidity

Why London?

- ✓ One of the world’s leading exchanges
- ✓ Most international stock exchange
- ✓ Norilsk Nickel ADRs listed on LSE
- ✓ Home to many Russian companies
- ✓ Familiar exchange for European institutions

Trading volumes in Russia and overseas



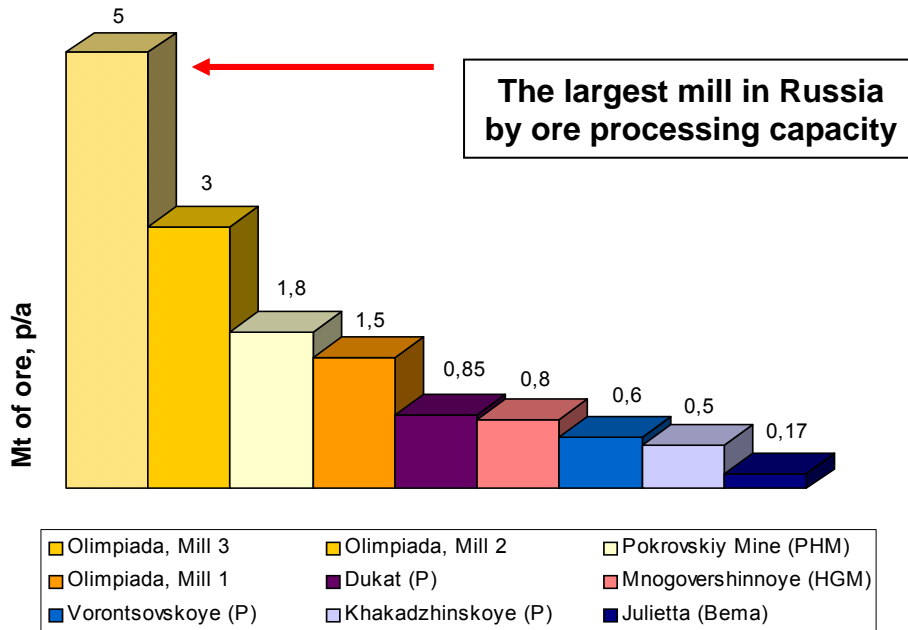
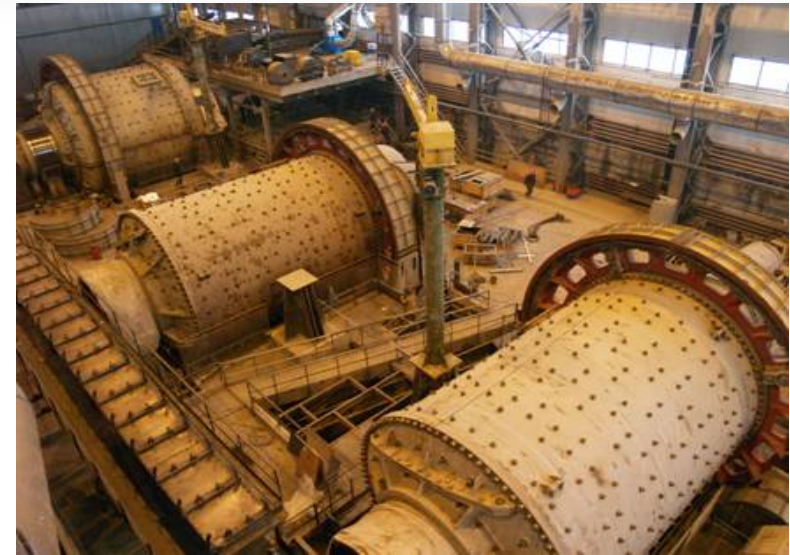
Only about 7,5% of the free float (6 211 000 outstanding shares) is traded.

PROJECTS EXECUTION UPDATE



DELIVERY ON PROMISES: OLIMPIADA EXPANSION

- Rationale for expansion: depletion of oxide ores vs. increasing volumes of sulfides
- Construction is well on track for launch summer 2007
- Unique in-house bio-oxidation technology is applied
 - the largest bio-ox operations in the Northern hemisphere
 - recovery up to 88%
- Total bio-ox capacity to reach 8 million tonnes
- Total investment of US\$ 337m is approved by the Board of Directors
- Total target production at Olimpiada is expected at 850-870 k oz in 2008-2009



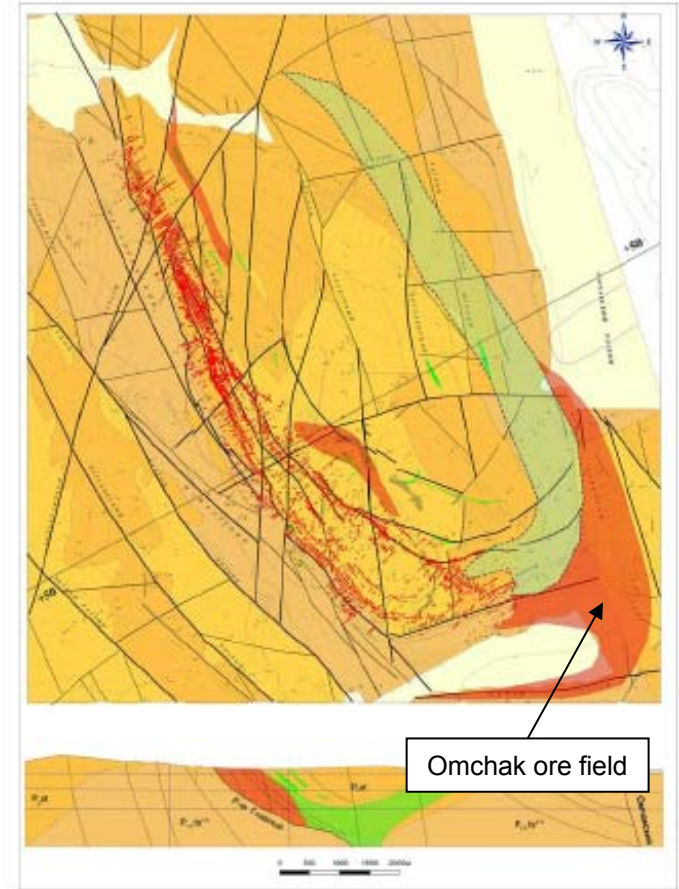
As of November 2006	Done	End of 2006	Under way
Crushing and grinding facilities	Done		
Warehousing facilities	Done		
Flotation and bio-oxidation facilities		End of 2006	
Engineering services		End of 2006	
Boiler house		End of 2006	
Hydro-metallurgical workshop			Under way
Compressor facilities, limestone workshop			Under way



DELIVERY ON PROMISES: NATALKA EXPLORATION

- Target set up back in 2004: ≥ 1000 tonnes (≥ 32 million oz) of gold in P&P to explore
- >US\$65 million invested to date (the world's largest single site exploration budget)
- Total cost of P&P reserves explored – US7.6 per oz
- Extensive exploration programme done:
 - 140 km drilled
 - 72 260 samples
 - 987.4 cubic meters of trenches
- Two pre-feasibility studies are prepared by Bateman and “VNIPIPromtekhologii” (Russia)
- Pilot plant to be launched in 2007 to test technology
- 1734 tonnes (55,7 million oz) of Russian B+C1+C2 submitted to the State Reserves Committee to be listed as commercial reserves:
 - including 1370 tonnes (44 million oz) of Russian B+C1
- Feasibility study is expected in 2007
- Production launch planned for 2012:
 - > 30 million tonnes of ore p/a
 - > 1 million oz gold output p/a
- Total capex is estimated up to US\$1.5 billion.

Geology and cross section of the deposit



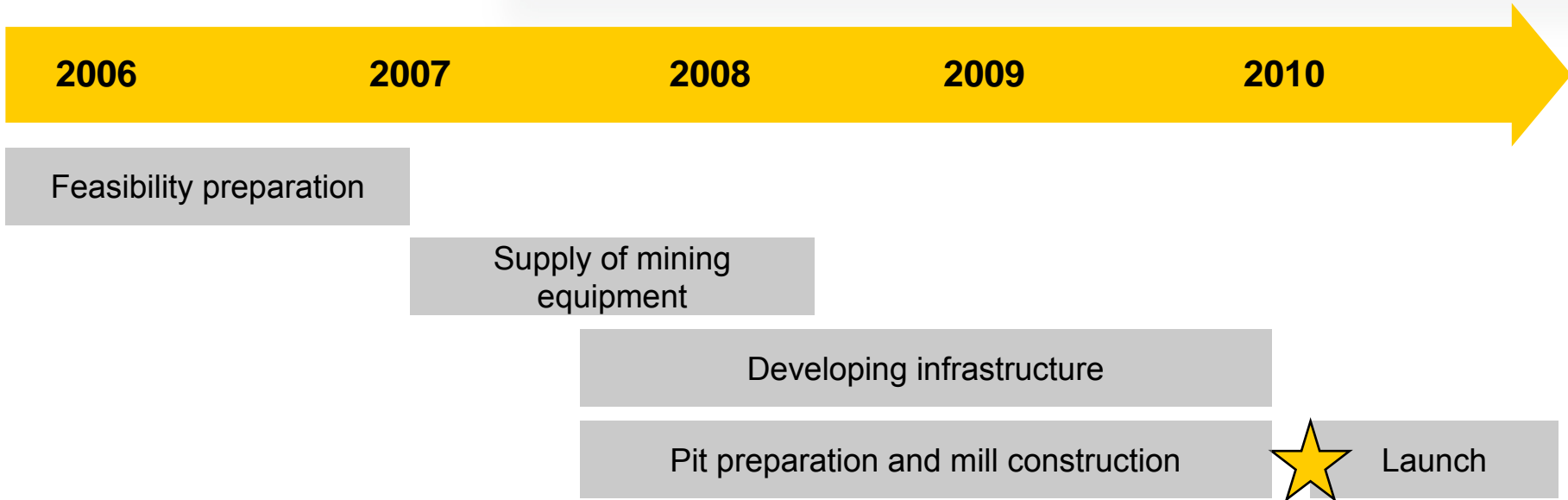
■ - Zapadnaya (explored) ore body

■ - Identified gold mineralization zones

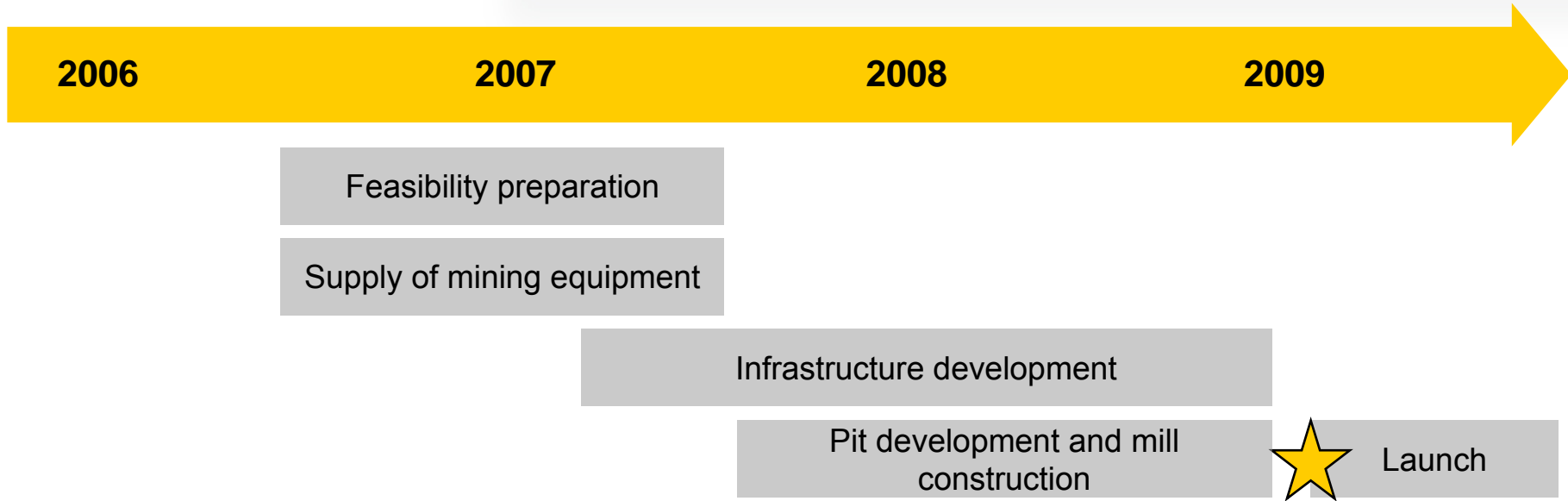
■ - Vostochnaya (unexplored) ore body



BLAGODATNOYE: DEVELOPMENT SCHEDULE



- Located in Severo-Yeniseisk district of Krasnoyarsk region of Russia, 26 km to the north of Olimpiada deposit
- Balance reserves – 222.2 tonnes at 2.4 g/t (result of in-house exploration)
- Planned mill capacity - 6 mln. tonnes of ore per year
- Expected annual production at 89% recovery– about 12 tonnes of gold
- Investments approved by the Board – US\$328 million
- Mine life – till 2028



- Located in Bodaibo area of Irkutsk region of Russia, in a 52 km proximity to Sukhoi Log deposit
- Reserves (JORC) – 1100 k oz at 3.4 g/t
- Resources (JORC) – 2700 k oz at 2.3 g/t
- Expected production volume – over 5 tonnes of gold with a 89.6% recovery rate
- Estimated investments – US\$128 million
- Mine life – till 2017

Leading Russian gold producer in high growth potential market

- Proven industry leadership
- Significant mineral resources – six out 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

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

Outstanding organic growth story

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