



We know the worth of gold

Polyus Gold

Denver Gold Forum,
September 13-16, 2009, Denver, Colorado, USA



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Key operations

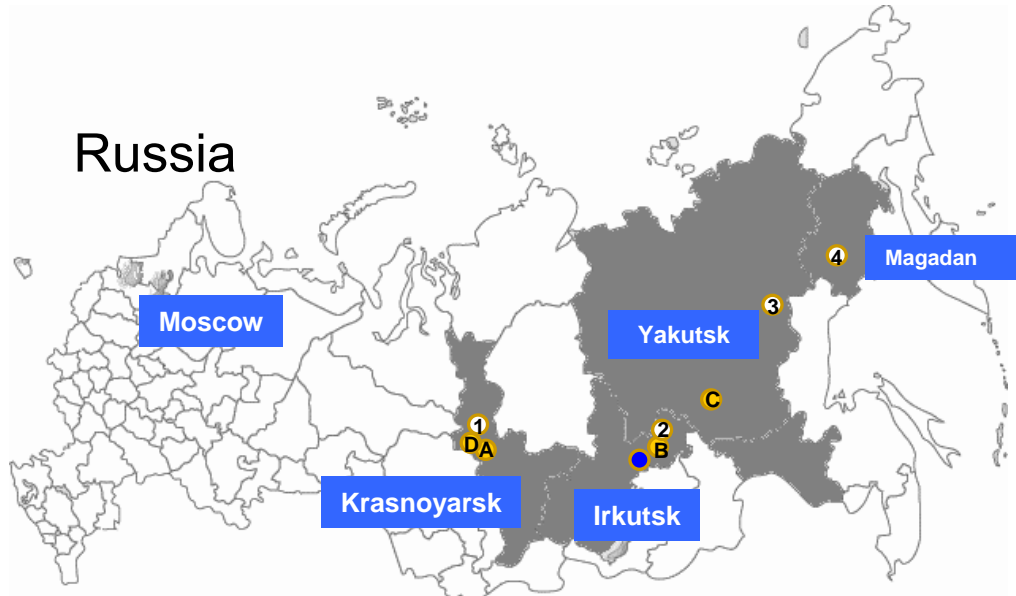
Deal with KazakhGold

1H2009 operating results

Joint projects with Kinross

Projects update





Kazakhstan



- Hard-rock operations
- Green/brownfield projects
- Alluvial operations

- 1 - Blagodantoe project
- 2 - Chertovo koryto project
- 3 - Nezhdaninskoe project
- 4 - Nataka project

- A - Olimpiada mine
- B - Zapadnoe mine
- C - Kuranakh mine
- D - Titimukhta mine

- E - Zholymbet mine
- F - Aksu mine
- G - Bestobe mine

5 OUT OF RUSSIA'S 10 LARGEST GOLD DEPOSITS (30/06/2009)

#	Deposit	Owner	Grade	Res. m oz
1	Sukhoi Log*	State owned	2.1	62.8
2	Nataka	Polyus Gold	1.1	40.8
3	Nezhdaninskoye*	Polyus Gold	3.9	20.2
4	Olimpiada	Polyus Gold	3.8	13.0
5	Blagodatnoye	Polyus Gold	2.3	9.9
6	Mayskoye*	Polymetal	10.9	8.0
7	Kyutchus*	Polyus Gold	9.8	4.4
8	Kupol	Kinross	14.0	3.1
9	Albazino	Polymetal	4.3	2.1
10	Pioneer	PHM	1.3	2.1

* - B+C1+C2

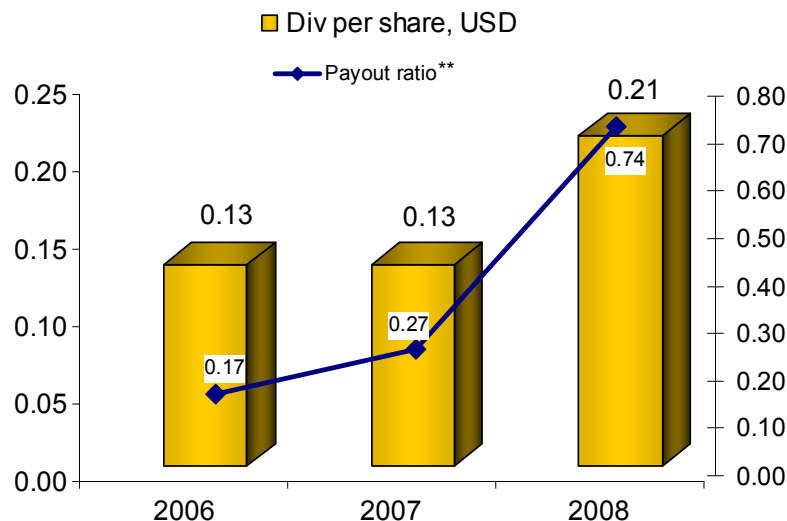
#	2008 key facts	Measure	
1	Sales	USD mln	1 062
2	Production	M oz	1.2
3	TCC	USD/oz	392
4	EBITDA	USD mln	436
5	EBITDA margin	%	41
6	JORC P&P reserves	M oz	74.1

Growing dividends payments, combined with increasing CapEx

On Sep 14, 2009 the EGM voted for the dividend payment for 1H 2009 in the amount of RUR 6.55 (USD0.21) per share

Dividends payments and payout ratio in 2006-2008*

USD/share



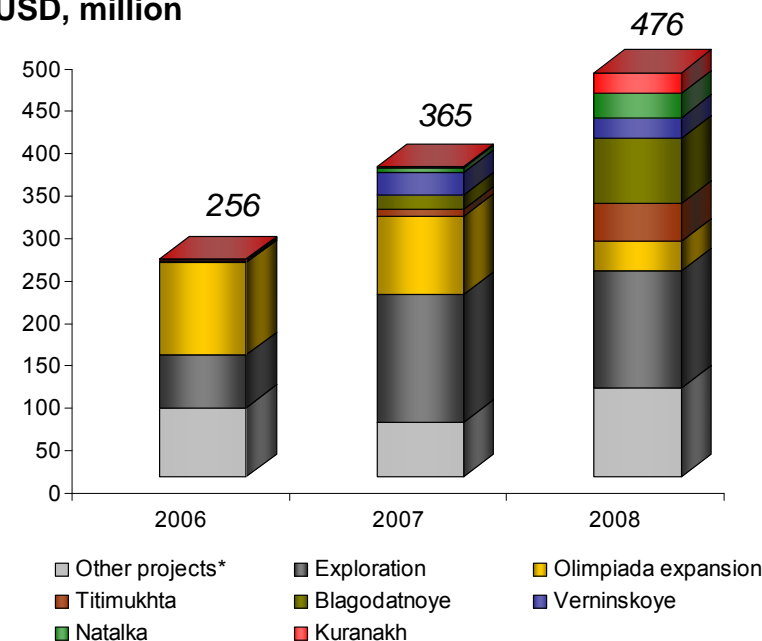
■ 4 times increase in payout ratio in 2006-2008

* The 1H 2009 dividend payment could be considered as a deferred dividend payment for the FY 2008. Due to the net loss for the FY 2008 in accordance with RAS (which was a result of the impairment of financial investments), no dividends were paid for that period (RAS net income could only be the source of dividend payments)

** Payout ratio = EPS/Dividends per share

CapEx in 2006-2008 (excluding M&A and stripping costs)

USD, million



* Other projects include development projects at early stages (such as Nezhdaninskoye, Chertovo Koryto and other), measures to maintain and upgrade existing facilities, as well as to increase its efficiency (such as creation of in-house explosives production facilities, development of Kokui coal field), various social projects (such as camp modernization at Olimpiada) and other.



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Deal with Kazakhgold: Kazakhgold - basic information

Brief overview

- KazakhGold – one of the largest gold producers in Kazakhstan and in the CIS
 - The Company is listed on London Stock Exchange since 2005
- Key assets: Aksu, Bestobe and Zholymbet located in northern part of Kazakhstan
 - Combined, the three assets possess approximately 60m ounces of resources and have produced over 300k ounces over the last 2 years
 - In addition, KazakhGold owns a number of assets in East Kazakhstan (Akzhal, Vasilievsky, Boldykol, Pridorozhnoe, Kaskabulakskoe), Romania and Kyrgyzstan
- The assets possess a very well developed infrastructure
 - Each of the three main assets has existing processing capacities in place
 - Aksu: two processing plants and heap leach facilities
 - Bestobe: processing and heap leach facilities
 - Zholymbet: processing and heap leach facilities
 - Ongoing construction of 2mtpa tailings processing plants at each of the operations (with an upgrade possibility to 4mtpa)
 - Assets are easily accessible via asphalt roads and are connected with each other via gravel surface roads
 - The mines have sufficient access to major power plants
 - 700km distance to major HPSs of Irtysh river (Shulbinskaya, Ust-Kamenogorskaya and Buhtarminskaya HPS)

Key figures

Market cap	\$424m	
Net debt	\$271m ¹	
Reserves (B1 + C1)	13.7moz	
Resources (C2 + P1)	45.9moz	
Total	59.6moz	
Resources (JORC: MI&I) ²	15.0moz	
Resources (JORC: "Unclassified") ²	19.6moz	
Total	34.5moz	
	2007	2008
Production (koz)	232	104 ³
Revenue (\$m)	177	91
Net profit (\$m)	119	19
Net assets (\$m)	782	954

(1) Includes shareholder loan from key shareholder of \$31m

(2) Audited by Wardell Armstrong

(3) 15% of Kazakhstan gold output according to GFMS



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New management team and BOD members of KazakhGold

Following the results of KazakhGold BOD Meeting held on August 14, 2009 new members of the Board were elected:

Evgueni Ivanov
(Executive Chairman)

PG CEO

German Pikhoya

PG Deputy CEO, Strategy and Corporate Development

Oleg Ignatov

PG CFO

Boris Zakharov

PG COO

David Netherway

(Independent Director)

- CEO of Shield Mining Ltd

- Chairman of the Remuneration Committee

Aidar Assaubayev

Vice President of Kazakhaltyn

Stephen Oke (Independent Non-Executive Director)

Chairman of the Audit Committee

As of August, 14 the Company is headed by management team experienced in the mining industry:

Alexey Teksler, COO

Education: Norilsk Industrial Institute (Economics and administration in metallurgy)

- Aug 05 - 06 – Head of multi-branch procurement directorate of Polar Division of OJSC MMC Norilsk Nickel
- 06 – CEO, LLC Norilsk procurement complex
- Mar 08 – Jun 09 – Head of Administration of Norilsk city

Kirill Martynov, CFO

Education: Moscow Financial Institute (International Economic Relations)

- Apr 06 – Dec 08 – First deputy of repair department of the Polar Division of OJSC MMC Norilsk Nickel (starting from Nov 06 – LLC NorilskNickelRemont)
- Apr 09 – Aug 09 – CJSC Investprom

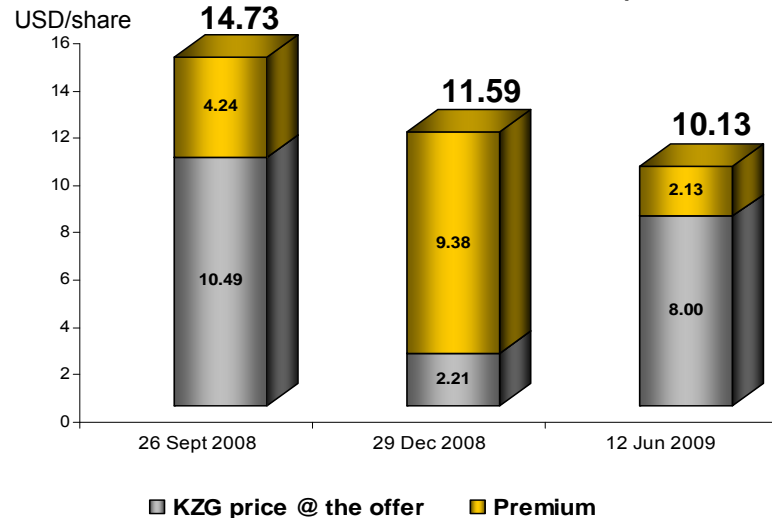
Yuri Chertkov, Chief Production Officer

Education: Leningrad Mining Institute

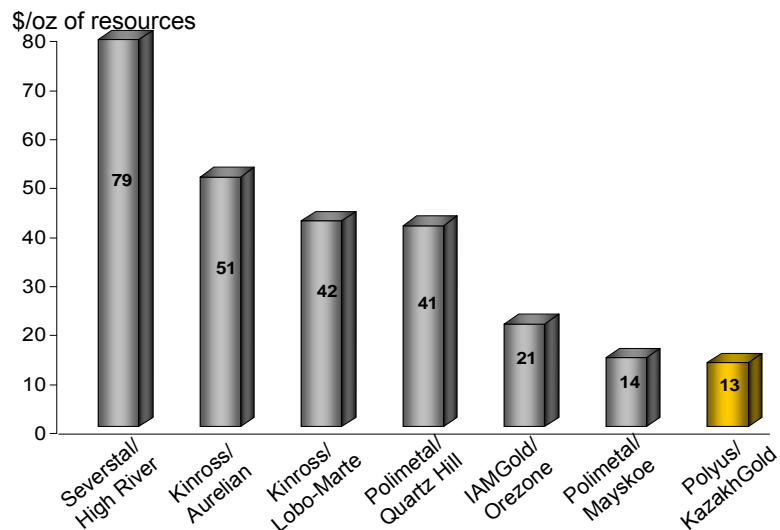
- 2007 – 08 – Director of Cola Mining Company of MMC Norilsk Nickel
- 2000 – 07 – Deputy CEO, Chief Engineer of Erdenet mine in Mongolia
- 1994 – 00 - Deputy CEO, Chief Engineer of MongolRosTsvetMet

The Group is currently streamlining the organizational structure of KazakhGold to insure its smooth integration into Polyus' business processes. New unified planning and reposting systems are being formed, a list of first priority tasks is being created. The Group expects to fulfill the integration by end of 2009.

Premium to KazakhGold share price



Recent M&A deals comparison



- Total deal value amounted to **USD 256 million, or USD 10.13 per 1 KZG share**, compared to USD14.73 in September and USD11.59 in December of 2008. Total acquisition cost (including consultants' fees) was less than 7% of the deal value.

- Stake price compared to Polyus MCap decreased from 9% in Sept 2008 to **3% in June 2009**

- During the offer period Polyus tended to mark the deal terms to the new market conditions. The government of Kazakhstan and British financial regulators allowed **to review the deal terms twice**. The binding offer terms were in line with the approval granted by the government of Kazakhstan and the Takeover panel.

- KazakhGold shareholders showed a great interest - **96.37% of them accepted the terms**.

- For the first time shareholders of Jersey-registered and LSE-listed company **swap their GDR's into Russian local shares**. At first closing date (July 30) the **shareholders were ready to get 0.67% of Polyus shares outstanding** (they tendered 74.69% of KZG shares)

- The bondholders of KZG waived their right to require KZG to repurchase their notes on a change of control**. The opportunity to have a reliable guarantor with Polyus Gold was more attractive than the opportunity to sell notes immediately

- During the offer period Polyus and KazakhGold met all the requirements with documentation, time frame and disclosure.



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Key operations

Deal with KazakhGold

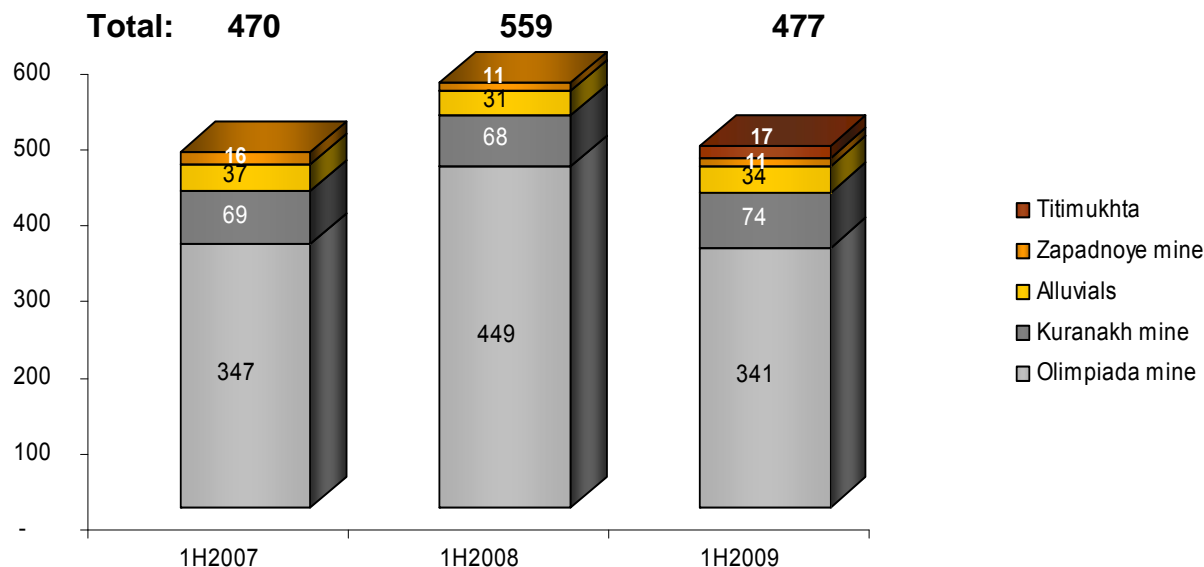
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Gold production, k oz



In the first half of 2009 the Polyus Group produced and sold **477 k oz** of refined gold.

The major factors influencing 1H2009 operating results:

Olimpiada mine:

- 40 k oz of Dore gold (the metal before refining) were delivered to the refining plant, but were not refined in the reporting period;
- Completed switch to processing of sulfide ores, which have a lower grade, compared to the oxide ores;
- Mill-2 was closed to perform regular maintenance works, previously planned for the 2H2009

Alluvials:

- Increase in volumes of sands washed.

Zapadnoye mine:

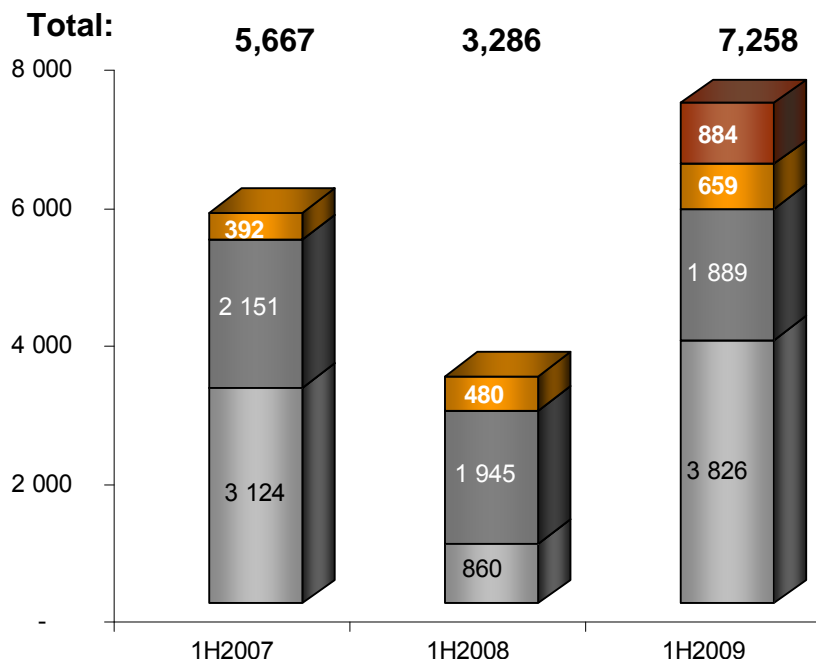
- Maintained the stable level of production compared to 1H2008.

Kuranakh mine:

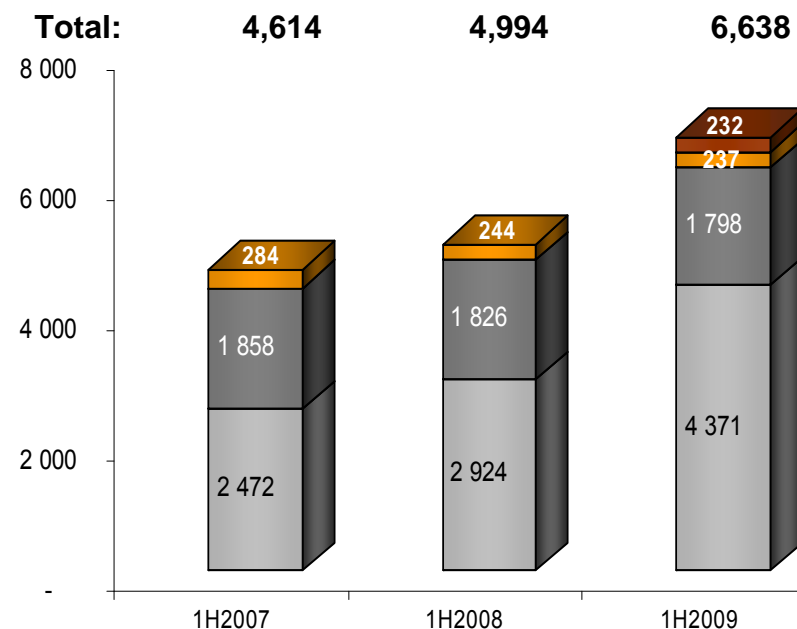
- Increase in gold grade of ore processed (up to 1.52 g/t).

1H2009 results: ore mined and ore processed

Ore mined, k tonnes



Ore processed, k tonnes

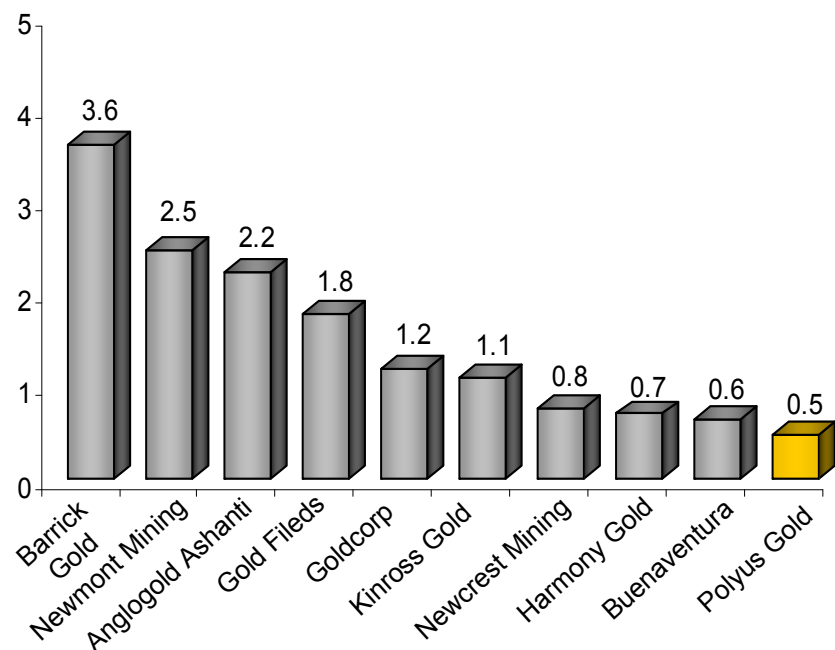


- | | | | |
|--|---|---|---|
| Olimpiada mine
Average gold grade (g/t) – 2.5 | Kuranakh mine
Average gold grade (g/t) – 1.5 | Olimpiada mine
Average gold grade (g/t):
Sulphide ore – 3.5
Mixed-type ore – 5.8
Olenye deposit – 4.6 | Kuranakh mine
Average gold grade (g/t) – 1.5 |
| Zapadnoye mine
Average gold grade (g/t) – 1.8 | Titimukhta
Average gold grade (g/t) – 2.3 | Zapadnoye mine
Average gold grade (g/t) – 2.2 | Titimukhta
Average gold grade (g/t) – 2.9 |

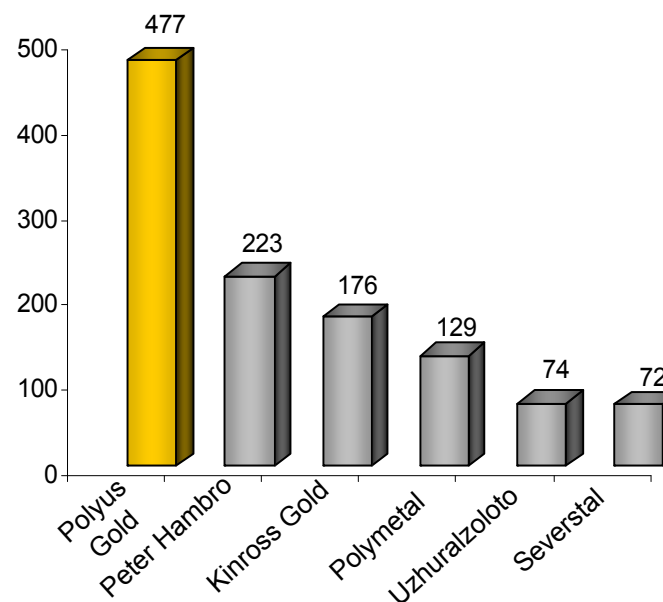
The volume of the ore mined during 1H 2009 amounted to **7,258 k tonnes (+121%)**,
The volume of the ore processed during 1H2009 was **6,638 k tonnes (+33%)**.

1H2009 results: peer comparison

**Global gold producers
1H2009 operating results, m oz**



**Russian gold producers
1H2009 operating results, k oz**



Based on 1H 2009 production Polyus Gold maintained its position among Top-10 global gold mining companies...

...and stays an undisputable leader among Russian gold producers.



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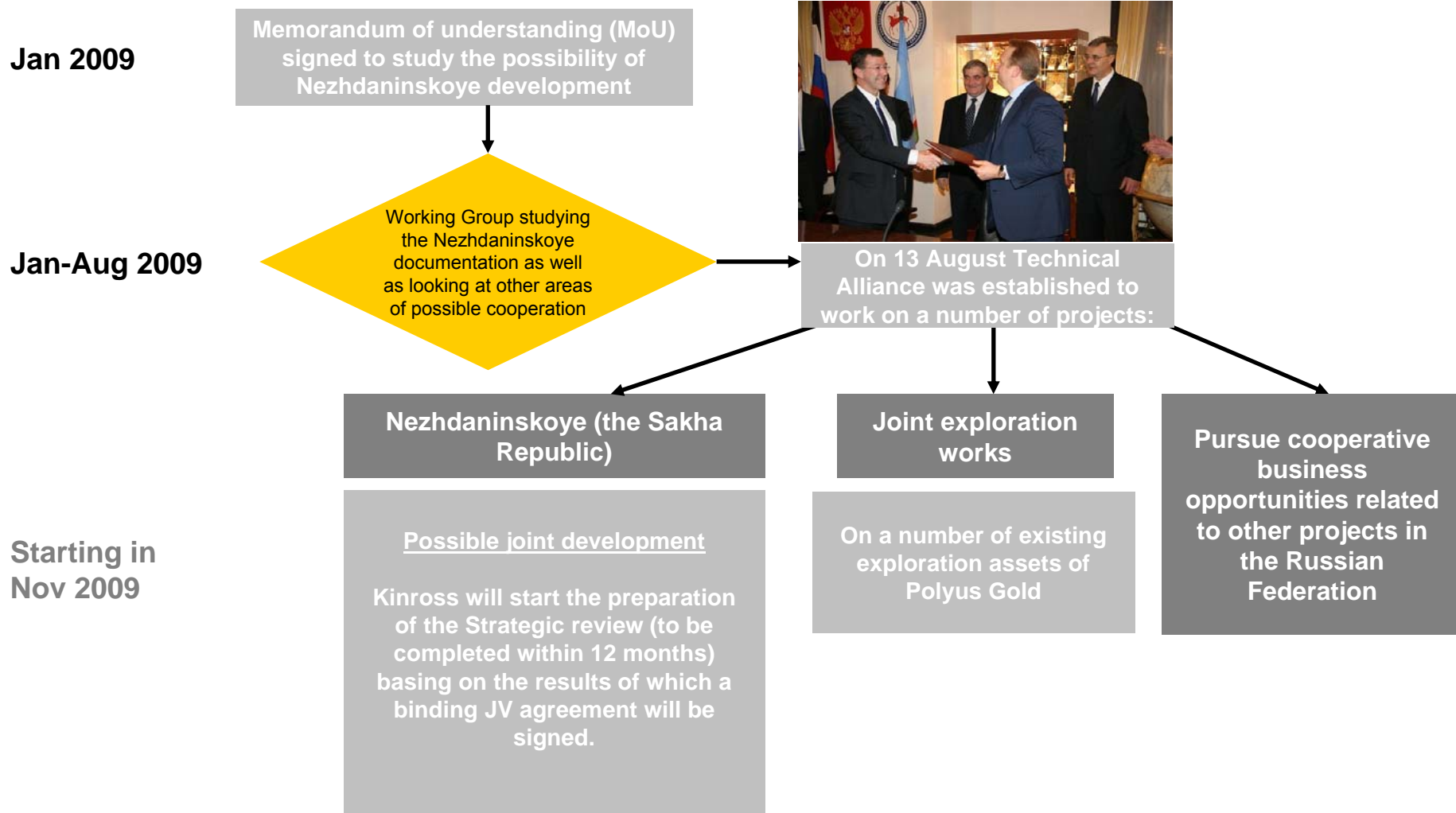
Projects update





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Polyus and Kinross Gold: Expanding partnership



Rationale: find the best solution to develop Nezhdaninskoye, optimize exploration costs for Group's existing projects, diversify exploration, development and operating risks



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Polyus and Kinross Gold: Nezhdaninskoye development

Nezhdaninskoye deposit (pre-feasibility study):

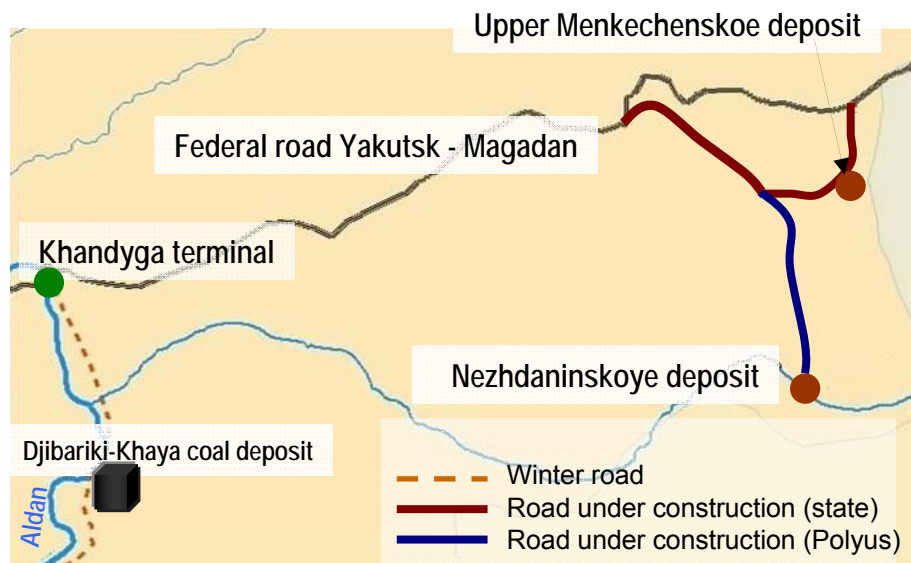
Reserves (B+C1+C2) **20 mln oz**

Average gold grade **3.86 g/t**

Located on the North-East of the Republic of Sakha
(Yakutia)

Key terms of possible JV :

- Polyus ownership: 51%, Kinross ownership: 49%
- Polyus contribution: the assets, maintenance costs financing, required support in terms of permitting and approvals from the state;
- Kinross contribution: financing (earn-in basis) and technical expertise;
- Polyus to operate the Nezhdaninskoye deposit.



Signing of the Memorandum of understanding, Moscow, Jan 09

Key operations

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Highlights of the feasibility study:

Mine life	2009 – 2021
P&P reserves	2.2 m oz at 3.3 g/t
Mill capacity	2.2 mtpa
Recovery	88%
Average annual gold production	170 k oz
Capex (ex VAT)	US\$ 98.7 million
Average TCC	260 US\$/oz

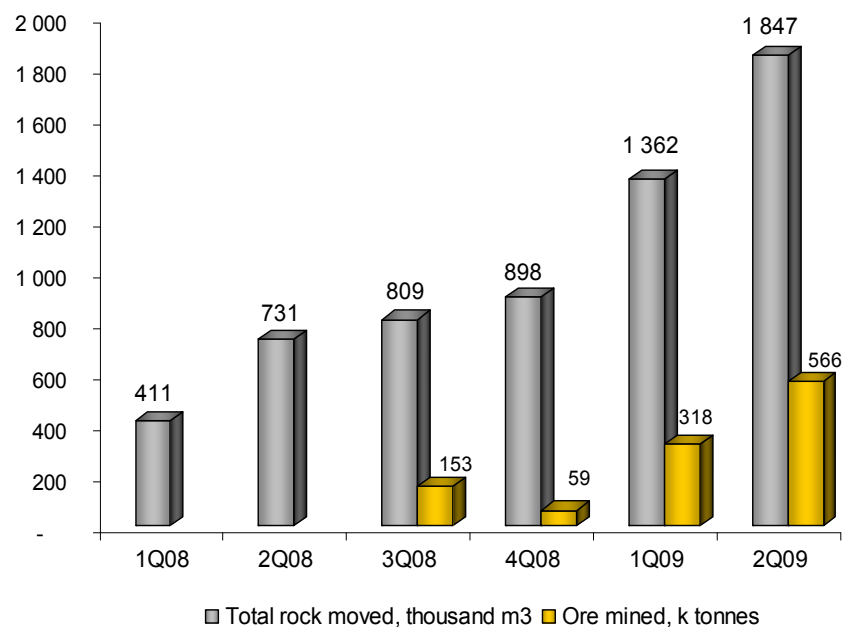


Facts:

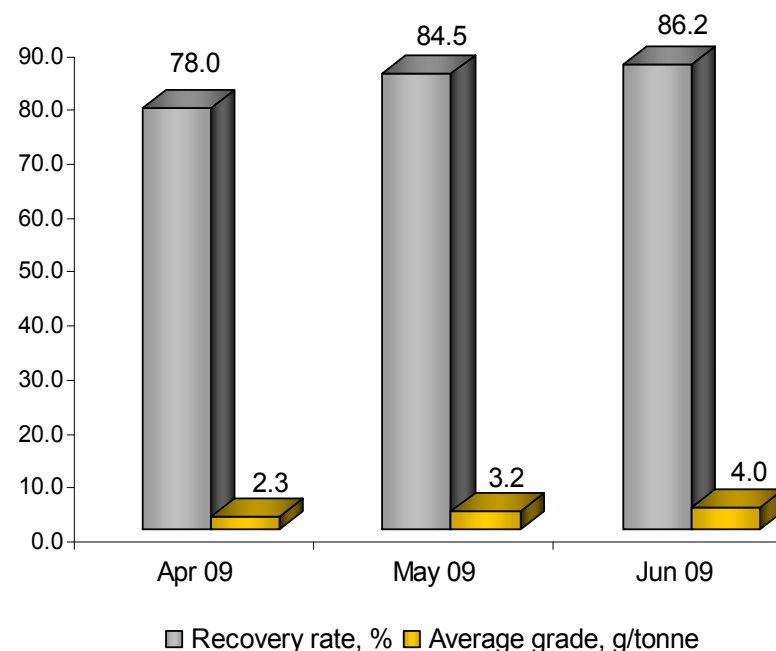
- Located 9 km to the northwest from the Olimpiada mine;
- November 2007 – the feasibility study was approved by the Board of Directors;
- July 2008 – JORC reserves audit completed;
- January 2009 – the examination of GlavGosExpertiza (Federal State Enterprise Senior Department of State Expertise) passed;
- April 2009 – mining started;
- The Titimukhta's ores are processed at Mill-1 of the Olimpiada mine, which was reconstructed after depletion of oxide ores of Olimpiada.



Total rock moved and ore mined



Recovery and average gold grade



During the 1H2009 the total capital mining works at the Titimukhta amounted to **3,209** thousand m³, the volume of ore mined was **884 k tonnes**.

The volume of the ore processed totaled **232 thousand tonnes**.

Gold production at Titimukhta at 1H2009 amounted to **17 k oz**.

Titimukhta project: 1H2009 capex update

- In 1H2009 reconstruction of the **main building of Mill-1** continued, installation and wiring works were implemented.



- Within the framework of tailings dam preparation the engineering works were executed at the pump station of the **concentration unit**.



- Construction and assembling went on in the **crushing unit** of the mill.



- Construction and finishing works on the **camp** for 285 persons is under way.

Highlights of the feasibility study:*

Mine life	2010-2031
P&P reserves	9.9 m oz at 2.3 g/t
Mill capacity	6 mtpa
Recovery	88.6%
Average annual gold production	412 k oz
Capex (ex. VAT)	US\$390.2 m
Average TCC	244 US\$/oz

Dated October 2008. Main building and hydrometallurgical workshop



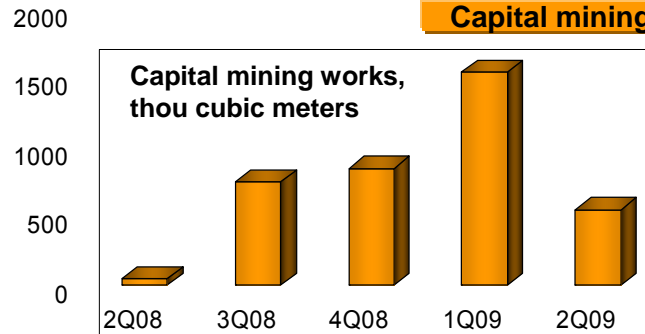
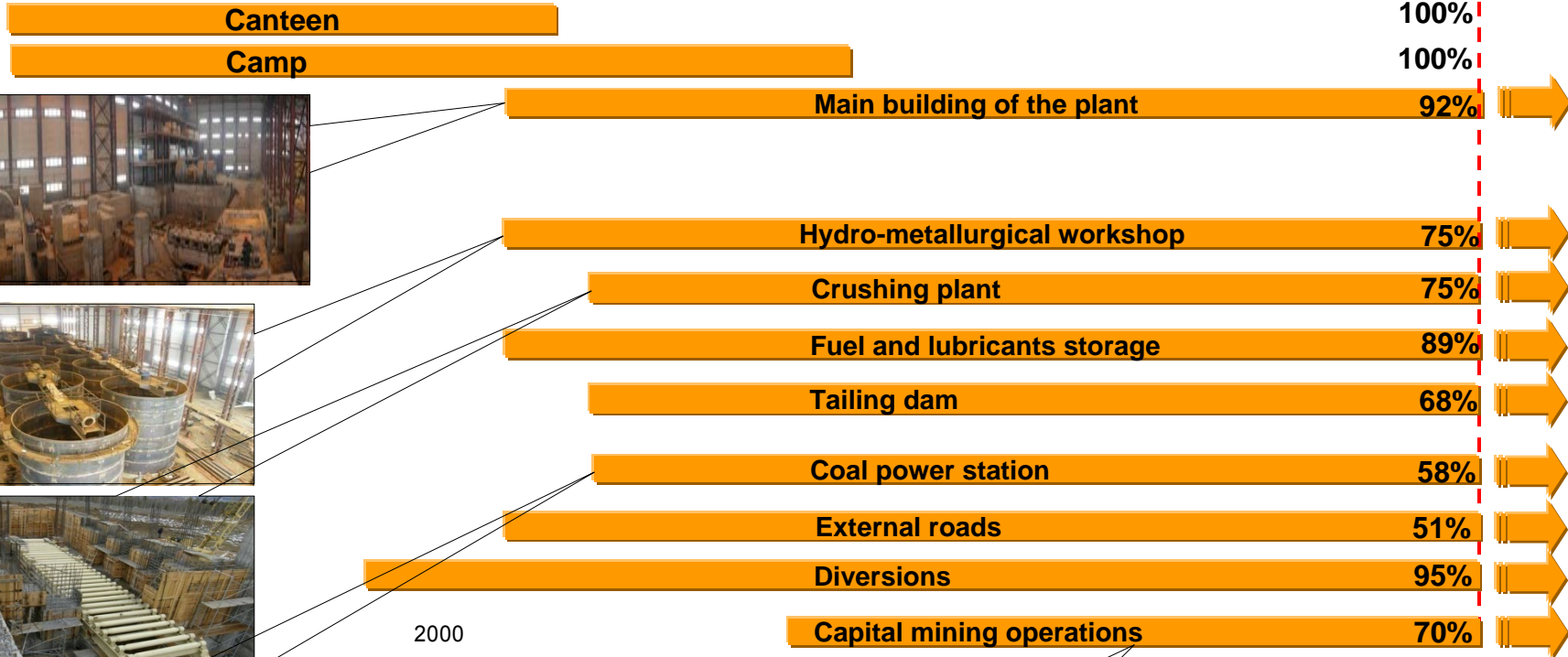
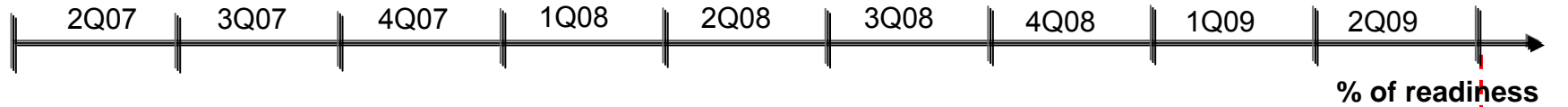
1H2009 CAPEX update

- Mill construction in progress (main building, crushing plant, hydro-metallurgical workshop, thickening workshop, weigh house, chemicals storage, fuel and lubricants storage);
- Site for tailings dam and diversion facilities prepared;
- Garage-repair shop construction underway;
- Mining and transport equipment supply in progress;
- Camp for 987 workers and canteen for 200 people: construction completed;
- Coal power plant is under construction (in-house coal open pit hedges electricity price growth in the Krasnoyarsk region);
- Water pipe laying;
- Power grid and roads constructed;
- 43% of budgeted investments drawn (equipment received and assembled) @ 1/07/09.

Commissioning in time (2H2010)

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

Projects update: Blagodatnoye Readiness of the objects



Highlights of the feasibility study:

Mine life	2011 - 2024
P&P reserves (additional exploration underway)	1.7 m oz at 3.0 g/t
Mill project capacity	2.2 mtpa
Average annual gold production	218 k oz
Estimated Capex (as of April 2009)	US\$249 m
Average TCC	253 US\$/oz

1H2009 CAPEX update:

- Mining started;
- Camp and canteen construction completed;
- Main building construction in progress;
- Concrete works on crushing plant began;
- Core mining and transport equipment acquired;
- Plant equipment ordering under way;
- Boiler-house assembled;
- Road construction began;
- Tailings facilities preparation in progress;
- 25% of budgeted investments drawn (equipment received and assembled) @ 1/07/09.



Dated January 09. Main building and camp at Verninskoye





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Projects update: Nataalka. New development plan and pre-conditions

In February 2009 the following amended plan of development of Nataalka was prepared by Polyus team and approved by the BoD in March 2009.

The new plan implies 3 stages of capacity increase:

- The Company plans to construct **10 mtpa** plant in 2013 with a projected gold output of 675-1060 k oz per annum.
- **20 mtpa** capacity plant to be constructed in 2017-2021 with 1.1-1.4 m oz output.
- Further increase up to **40 mtpa** planned for 2022-41. Annual production – up to 1.6 m oz.

Expected LOM annual production – 1.4 m oz of gold.

Required Capex: USD 1.1 bln for the 1st stage + USD 1.1 bln for the 2nd and 3rd stages which will be covered from the operating cash flow of the Nataalka project.

Macroeconomics, base case scenario:

Gold price: 700 USD/oz, Exchange rate: 32 RUR/USD, 0% inflation, 15% discount rate

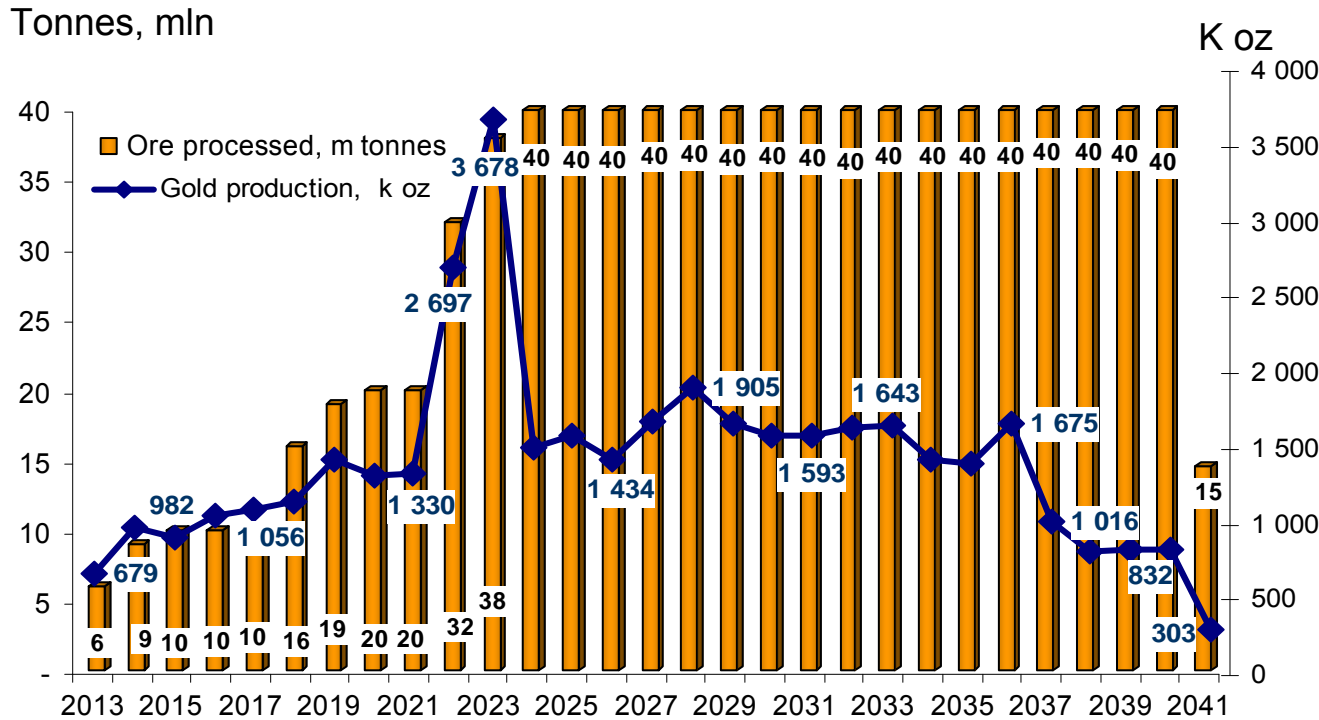
Macroeconomics, inflation scenario:

Gold price changes from 900 USD/oz in 2009 to 790 USD/oz in 2013; exchange rate varies from 35.6 RUR/USD in 2009 to 45.7 RUR/USD in 2012; inflation rate changes from (21.5%) in 2009 to 16.4% in 2011.

The stepwise plan of the Nataalka project development was accepted due to the following conditions:

- Insufficient power generating facilities in the Magadan region;
- Insufficient power transportation facilities;
- Deterioration of the global financial conditions. Financial markets are difficult for financing large-scale projects.

Projected operational data: 2013-2041 Ore mining and gold production



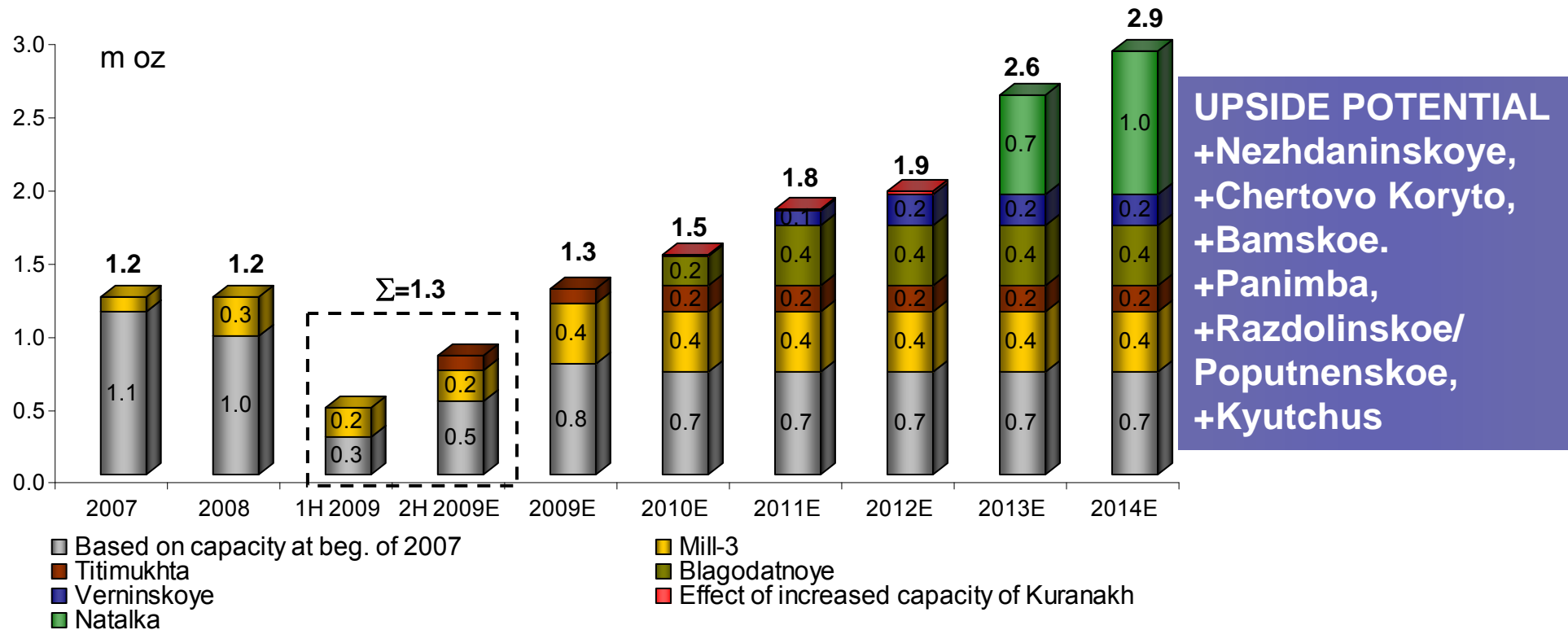
The chosen scenario 10-20-40 million tonnes can be profitable in tough economic conditions thanks to 2 factors:
 optimal mining plan;
 flexible cut off grade control;

The plan will work on the following grades:
 in 2013-2017 - average grade in ore mined will vary from 3.15 to 3.85 g/t

in 2018-2023 - 2.35 – 3.32 g/t
 in 2024-2036 – 1.34 – 1.76 g/t

In 2013-2023 Polyus also will stockpile 185 mln tonnes of low-grade ore of 1.07-0.86 g/t, which will be transferred to “ready-to-processing” ore since 2024 and will go to the processing starting from 2036

Approximately 140% output increase is expected to come from existing and approved development projects, excluding KazakhGold



Expected 2010-2014 production of the “capacities existing at Jan 01, 2007” calculated based on 2009 production plan.

The production profile is given excluding KazakhGold production and a number of projects in the pipeline of earlier stage of development.

- Successful completion of the deal with **KazakhGold**:
 - Polyus Gold becoming an international mining company with focus on FSU;
 - Very favorable deal conditions and excellent growth potential;
 - Strong and experienced new management team appointed at KZG;

- **Operational figures**: expected reduction in 1H2009 production, FY2009 production target 1.3 m oz confirmed to be met with the help of Titimukhta, alluvials, intensified Olimpiada production, reporting of additional volumes of gold produced at Olimpiada in 1H2009 and to be refined in 2H2009;

- Potential JV with Kinross Gold on exploration and development of a number of projects in Russia;

- The Company met previously announced **capacity expansion** targets:
 - **Titimukhta**: successful launch in 1H2009;
 - **Blagodatnoye**: 50-90% readiness of all the facilities;
 - Re-launch of **Verninskoye** development project;
 - Development plan for **Natalka** approved by the Board of Directors;

- Favorable market conditions: strong gold price and devaluation of national currency.