



**POLYMETAL PRESENTATION**  
**20<sup>th</sup> BMO Capital Markets**  
**Global Metals & Mining conference**

February 27<sup>th</sup> – March 2<sup>nd</sup> 2011. Florida



**POLYMETAL**

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# Key Facts

| <b>2010 Production</b>                                 |   |
|--|---|
| Gold eq. <sup>1</sup>                                  | 753 Koz (+25% Y-o-Y)                          |
| <b>2010 Revenue</b>                                    |   |
| US\$ 922m (+66% Y-o-Y)                                 |   |
| <b>1H 2010 Co-product Cash Costs (Gold equivalent)</b> |   |
| US\$ 541/oz (+22% Y-o-Y)                               |   |
| <b>1H 2010 Adjusted EBITDA</b>                         |   |
| US\$ 187m (+112% Y-o-Y)                                |   |
| <b>2P Reserves (JORC)<sup>1</sup></b>                  |   |
| Gold eq. <sup>1</sup>                                  | 17.1 Moz at 4.5 g/t                           |
| <b>Capital Structure</b>                               |   |
| Market cap   | US\$ 6.8 bn <sup>2</sup> (361 million shares) |
| Net debt <sup>3</sup>                                  | US\$ 616m                                     |



**5 Operating Mines**

<sup>1</sup> Using 1:60 Ag/Au and 5:1 Cu/Au conversion ratios

<sup>2</sup> LSE price as of February 25, 2011. Market cap is calculated without accounting for treasury shares held by Polymetal's subsidiaries (c. 37.95 million). Total ordinary shares account for 399.4 million.

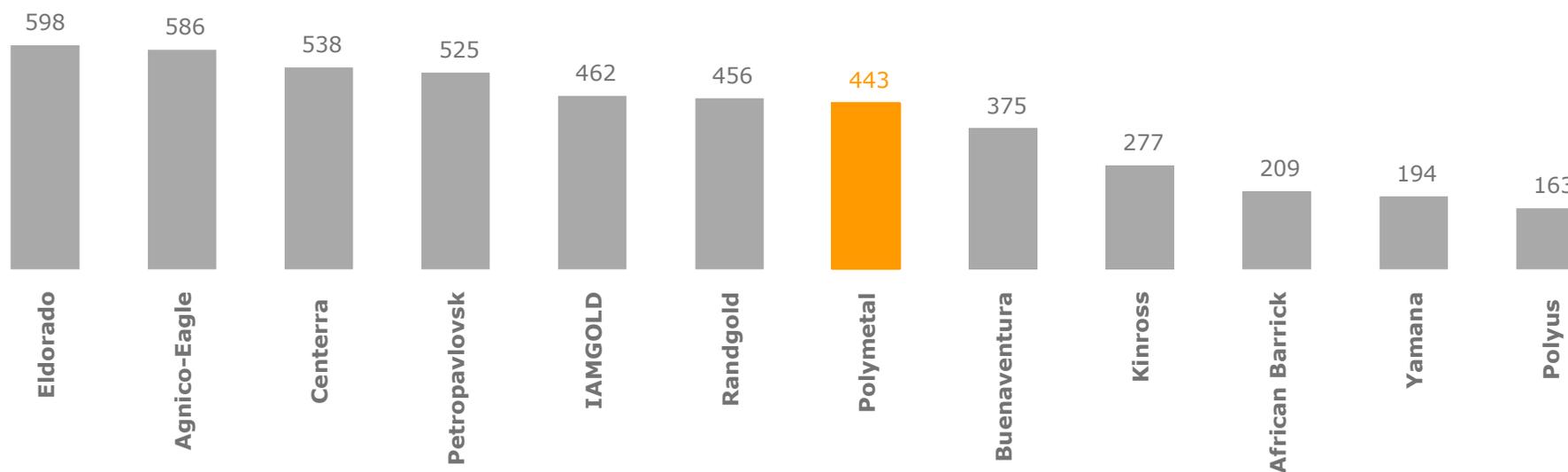
<sup>3</sup> As of June 30, 2010.

# Share Price Performance: 25.02.2010–25.02.2011

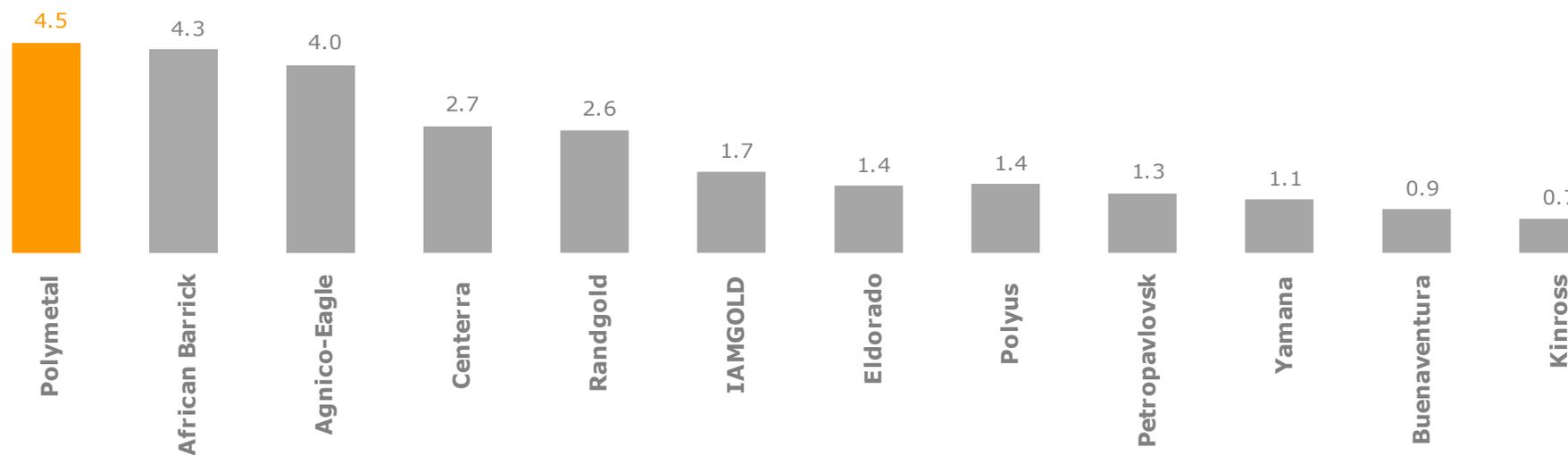


# High-Grade Reserve Ounces at a Reasonable Price

## EV/oz Reserves



## Average reserve gold eq. grade

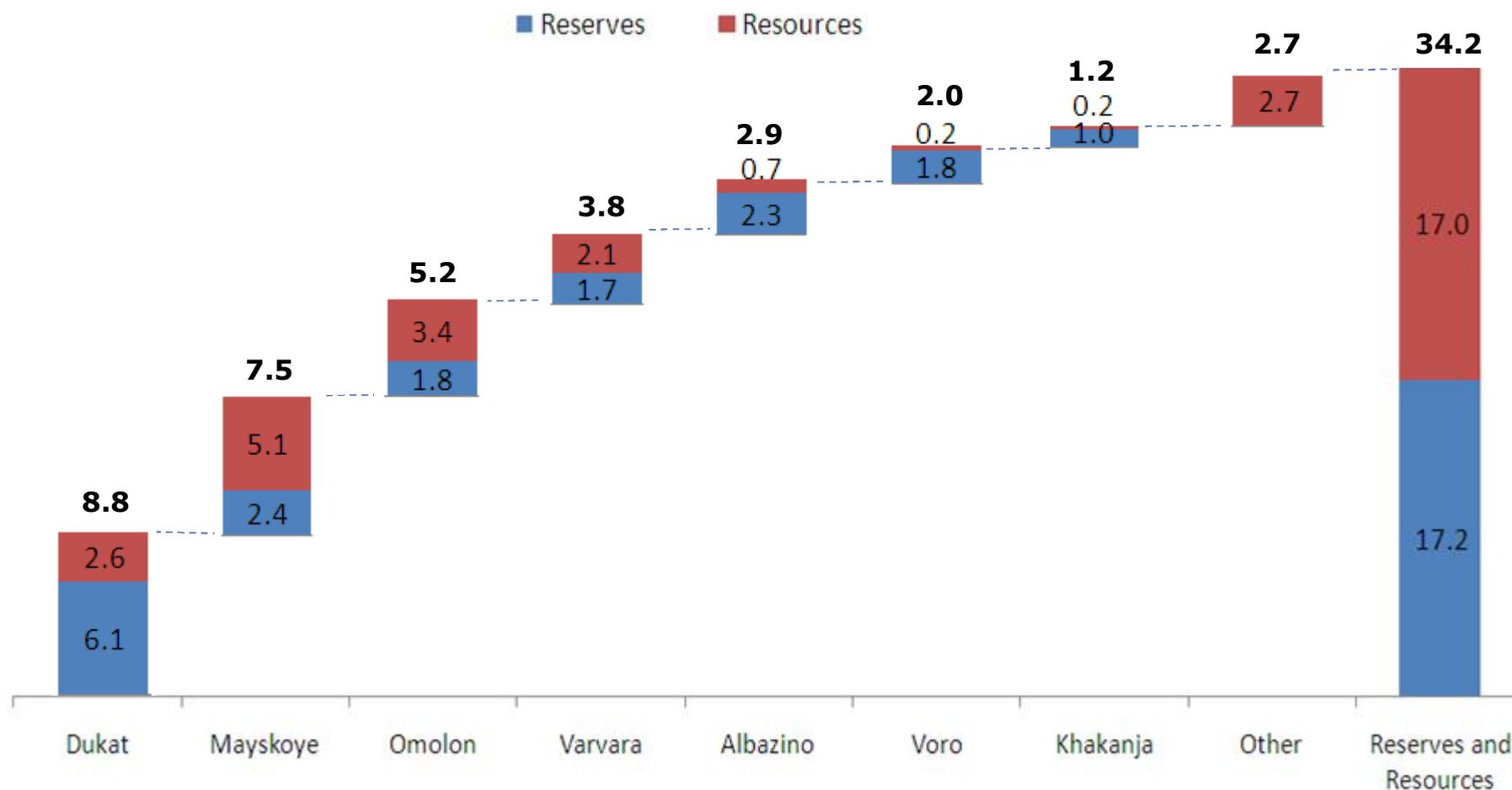


Using 1:60 Ag/Au and 5:1 Cu/Au conversion ratios  
Based on JORC reserves. Actual as of January 17, 2011

# Polymetal: Asset portfolio



# Reserve and Resource Base (Au eq. Moz)



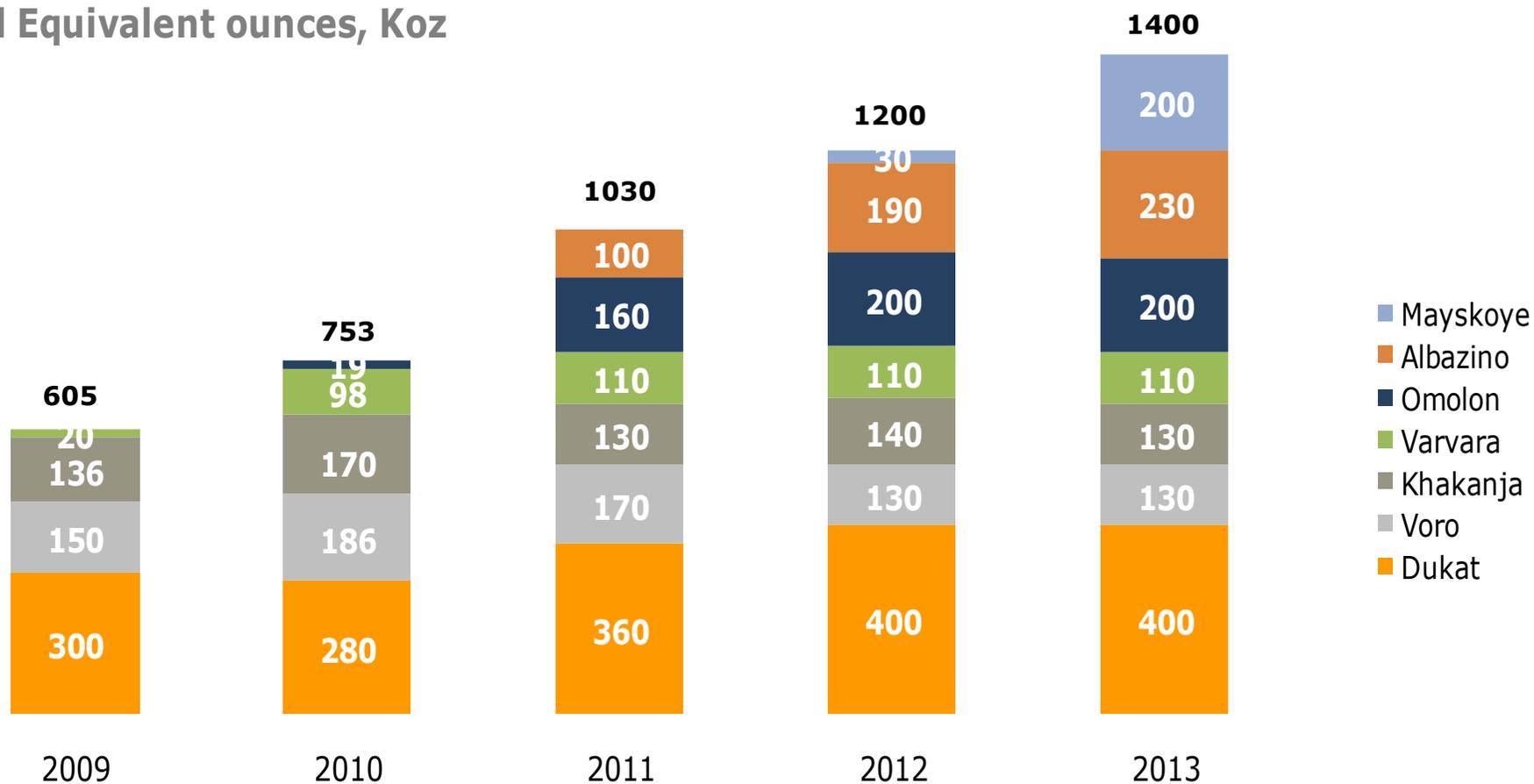
|                               |            |            |            |            |            |             |            |             |            |
|-------------------------------|------------|------------|------------|------------|------------|-------------|------------|-------------|------------|
| <b>Average Reserve grade</b>  | <b>9.0</b> | <b>9.6</b> | <b>4.3</b> | <b>1.4</b> | <b>4.1</b> | <b>2.9</b>  | <b>9.2</b> | <b>-</b>    | <b>4.5</b> |
| <b>Average Resource grade</b> | <b>8.7</b> | <b>9.3</b> | <b>4.6</b> | <b>1.3</b> | <b>4.3</b> | <b>3.1</b>  | <b>8.9</b> | <b>2.4*</b> | <b>4.0</b> |
| <b>LOM, years</b>             | <b>13</b>  | <b>13</b>  | <b>13</b>  | <b>8</b>   | <b>13</b>  | <b>15/6</b> | <b>6</b>   |             | <b>13</b>  |

Using 1:60 Ag/Au and 5:1 Cu/Au conversion ratios

\* Other includes Galka, Avlayakan-Kirankan project, pro-forma resources for Svetloye

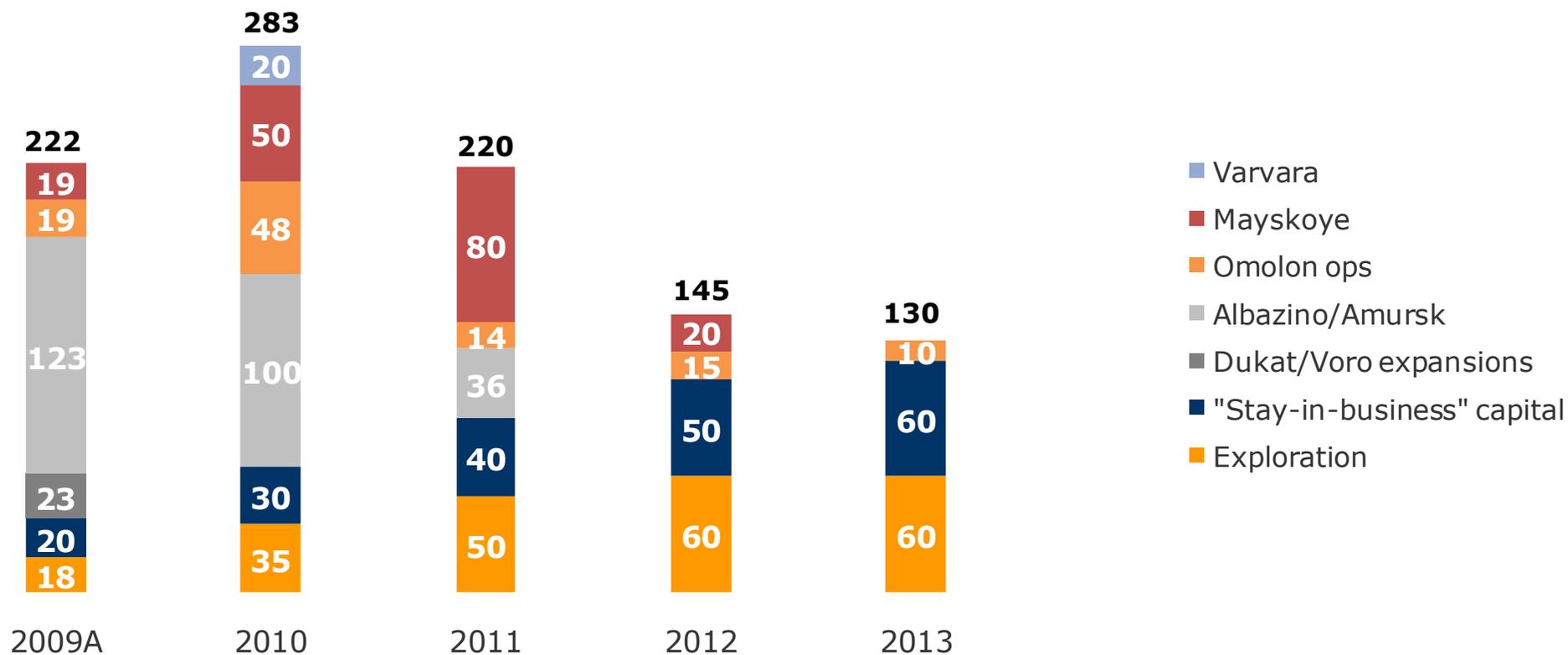
# Compelling Growth Profile

Gold Equivalent ounces, Koz



Using 1:60 Ag/Au and 5:1 Cu/Au conversion ratios

# Capital Expenditure, US\$ million



Operations

# Company Performance: Income Statement Highlights

| US\$ m                              | 1H 2010    | 1H 2009    | Change, %    |
|-------------------------------------|------------|------------|--------------|
| <b>Revenue</b>                      | <b>422</b> | <b>220</b> | <b>+92%</b>  |
| Cost of sales                       | 217        | 112        | +93%         |
| Gross profit                        | 204        | 107        | +91%         |
| Operating Income                    | 144        | 69         | +109%        |
| <b>Adjusted EBITDA</b>              | <b>187</b> | <b>88</b>  | <b>+112%</b> |
| <b>Net income</b>                   | <b>95</b>  | <b>19</b>  | <b>+399%</b> |
| EPS                                 | 0.26       | 0.06       | +333%        |
| Cash flow from operating activities | 121        | 88         | +38%         |
| <b>2010 FY sales highlights</b>     |            |            |              |
| Gold sold                           | 441 Koz    | 309 Koz    | +43%         |
| Silver sold                         | 17.9 Moz   | 16.5 Moz   | +9%          |
| Copper sold                         | 4 kt       | 1 kt       | -            |

# Dukat

- 1.8Mt of ore will be processed at the Dukat and Lunnoye plants in 2011 (17% y-o-y expected growth) coming from:
  - Underground mine – 1Mt
  - Open pit – 0.2Mt
  - Ramping up Goltsovoye u/g mine - 0.1Mt
  - Stockpiles – 0.2Mt
  - Lunnoye and Arylakh – 0.3Mt
- Lower grades and recoveries as material comes from the metallurgically challenging Dukat ore zones and the stockpiles
- Measures to improve grades and recoveries:
  - launch of gravity circuit at the Dukat plant (commissioned)
  - introduction of Goltsovoye ore to the feed
  - replacement of the old Russian-made flotation cells with the new ones (produced by Outotek) and full automation of flotation, thickening, and filtering sections. To be completed in Q2 2011



| Dukat/Lunnoye/Arylakh                  | 2010 FY        | 2009 FY        |
|--|----------------|----------------|
| Waste mined (kt)                       | 4,726          | 4,625          |
| Ore mined (kt)                         | 1,378          | 1,478          |
| Open pit                               | 431            | 618            |
| Underground                            | 947            | 861            |
| Ore processed (kt)                     | 1,534          | 1,273          |
| Gold head grade (g/t)                  | 1.0            | 1.2            |
| Silver head grade (g/t)                | 377            | 476            |
| Gold recovery                          | 74.7%          | 82.0%          |
| Silver recovery                        | 75.1%          | 80.4%          |
| Gold produced (Koz)                    | 37.9           | 39.1           |
| Silver produced (Moz)                  | 14.5           | 15.6           |
|  | <b>1H 2010</b> | <b>2009 FY</b> |
| Total cash costs / silver sold (\$/oz) | 9.1            | 8.1            |
| Total cash costs/ tonne milled (\$/t)  | 109            | 112            |
| Capital expenditure (US\$ m)           | 18.4           | 31.6           |

# Voro

- Stable, long-life cash generator
- +22% y-o-y gold production growth
- Additional new feed will come from the Company-owned Fevralskoye deposit starting Q2 2011
- Studies are under way to determine appropriate targeted investments to ensure the stability of high throughput and to improve recoveries
- Brownfield exploration targeting additional high-grade ore sources in the region



| <b>Voro/ Degtyarskoye</b>             | <b>2010 FY</b> | <b>2009 FY</b> |
|---------------------------------------|----------------|----------------|
| Waste mined (kt)                      | 11,031         | 11,235         |
| Ore mined, open pit (kt)              | 1,230          | 818            |
| Oxidized                              | 288            | 43             |
| Primary                               | 942            | 775            |
| Ore stacked (kt), heap leach          | 1,024          | 938            |
| Gold head grade (g/t), heap leach     | 1.6            | 1.7            |
| Ore processed (kt), CIP               | 907            | 796            |
| Gold head grade (g/t), CIP            | 6.1            | 6.0            |
| Gold recovery, heap leach             | 72.50%         | 65.30%         |
| Gold recovery, CIP                    | 79.80%         | 79.20%         |
| Gold produced (Koz)                   | 183            | 150            |
|                                       | <b>1H 2010</b> | <b>2009 FY</b> |
| Total cash costs/ gold sold (\$/oz)   | 376            | 381            |
| Total cash costs/ tonne milled (\$/t) | 41             | 34             |
| Capital expenditure (US\$ mm)         | 6.6            | 9.7            |

# Khakanja

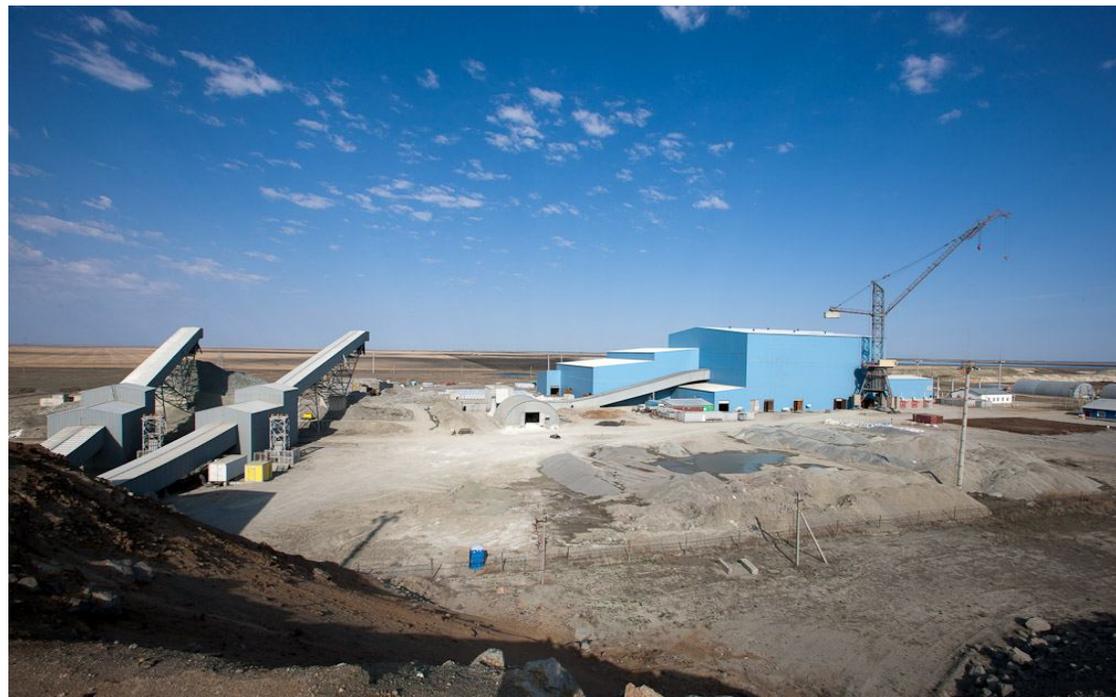
- Record growth for both gold and silver production (+18% and 54% accordingly)
- Additional feed will come from underground mines at Khakanja and Yurievskoye (2012) and newly acquired Avlayakan open pit deposit (Q3 2011)
- U/g reserves at Khakanja are estimated at c. 250 Koz @ 11.7 g/t of gold eq. Development will start in Q4 2011 Annual ore mined will be 120 Ktpa
- Preliminary estimation of u/g reserves at Yurievskoye is c.50Koz of gold @ 7.4 g/t. Development commenced in October
- Avlayakan reserves are estimated at 281 koz @ 17 g/t of gold eq. Waste stripping started in December



| <b>Khakanja/ Yurievskoye/ Avlayakan</b> | <b>2010 FY</b>        | <b>2009 FY</b>        |
|---|-----------------------|-----------------------|
| Waste mined (kt)                        | 10,139                | 8,749                 |
| Ore mined (kt)                          | 482                   | 654                   |
| Ore processed (kt)                      | 622                   | 610                   |
| Gold head grade (g/t)                   | 6.6                   | 5.8                   |
| Silver head grade (g/t)                 | 205                   | 139                   |
| Gold recovery                           | 94.9%                 | 94.1%                 |
| Silver recovery                         | 63.1%                 | 61.1%                 |
| Gold produced (Koz)                     | 127                   | 108                   |
| Silver produced (Moz)                   | 2.6                   | 1.7                   |
|   | <b><u>1H 2010</u></b> | <b><u>2009 FY</u></b> |
| Total cash costs/ ounces sold (\$/oz)   | 526                   | 463                   |
| Total cash costs/ tonne milled (\$/t)   | 138                   | 95                    |
| Capital expenditure (US\$ mm)           | 0.3                   | 3.5                   |

# Varvara

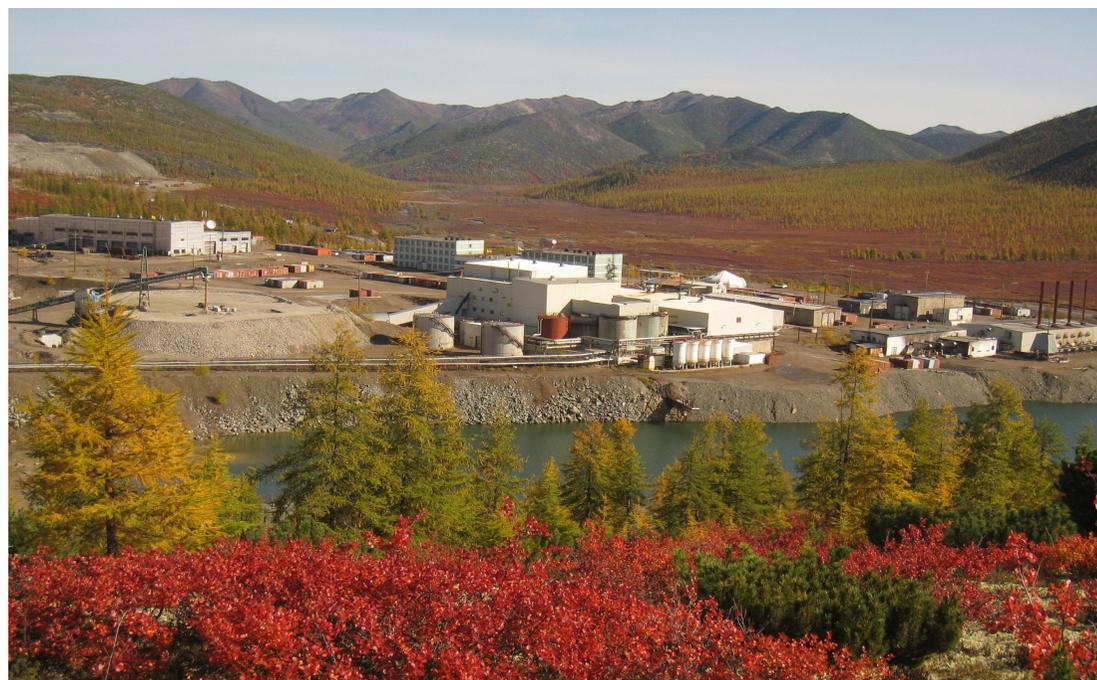
- Steady operational improvements with annual production of gold setting a record
- Leaching of flotation tails was fully discontinued in mid-July. This reduced gold recovery in the high grade copper feed, but allowed to significantly cut operating costs and improve overall cash generation and profitability
- Net US\$10 million was generated from operations in Q4 2010
- Further improvement is expected in the first half of 2011 with the arrival of new mining equipment on site and acceleration of step-out drilling at pit margins.



| <b>Varvara</b>                          | <b>2010</b>    |
|---|----------------|
| Waste mined (kt)                        | 21,955         |
| Ore mined - open pit (kt)               | 3,411          |
| Ore processed (kt), HGCF                | 793            |
| Gold head grade (g/t)                   | 1.1            |
| Copper head grade (%)                   | 0.71%          |
| Gold recovery, HGCF                     | 54.6%          |
| Copper recovery, HGCF                   | 81.8%          |
| Ore processed (kt), LGCF                | 2,283          |
| Gold head grade (g/t), LGCF             | 1.1            |
| Gold recovery, LGCF                     | 77.2%          |
| Gold produced (Koz)                     | 78.3           |
| Copper produced (t)                     | 4,003          |
|   | <b>1H 2010</b> |
| Total cash costs/ gold eq. sold (\$/oz) | 747            |
| Total cash costs/ tonne milled (\$/t)   | 21             |
| Capital expenditure (US\$ m)            | 4.9            |

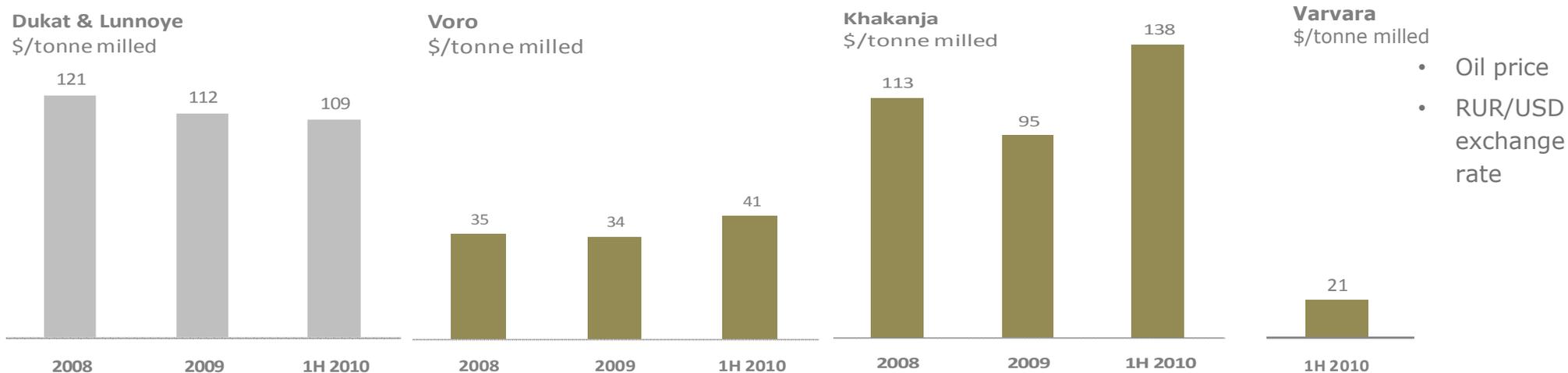
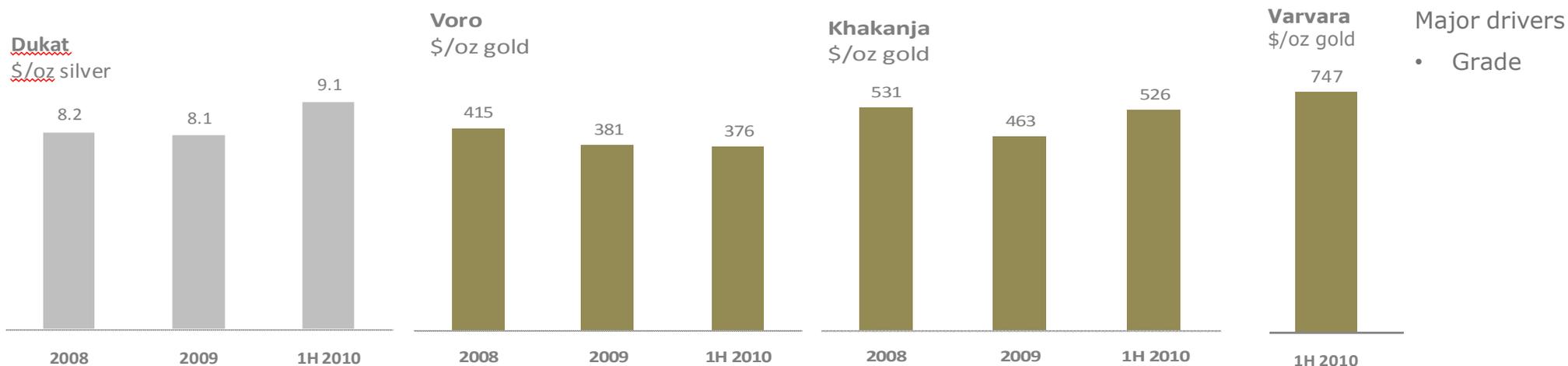
# Omolon

- Recently started long-term operation with the processing center at the Kubaka plant
- CIP circuit successfully achieved its design parameters and the mill upgrade is in full swing (Merrill Crowe, expansion of leaching progresses on schedule; start-up is expected in August 2011)
- Grade processed is expected to improve as Birkachan pit gains access to higher-grade ore
- Transportation of the high-grade Sopka ore mined in 2009 and 2010 to Kubaka is expected to commence in February while its processing at the plant is scheduled for 2H 2011
- Heap leach production suffered from low temperatures throughout the year; this situation is planned to be improved in 2011 after the commissioning of coal-fired boilerhouse to warm up the solutions returned to the heap



| <b>Birkachan/Sopka Kwartsevaya</b> | <b>2010 FY</b> | <b>2009 FY</b> |
|------------------------------------|----------------|----------------|
| Waste mined (kt)                   | 5,064          | 579            |
| Ore mined, open pit (kt)           | 680            | 92             |
| Low-grade (HL)                     | 484            | 11             |
| High-grade (Mill)                  | 195            | 80             |
| Ore stacked (kt), heap leach       | 459            | 639            |
| Gold head grade (g/t), heap leach  | 1.6            | 1.9            |
| Ore processed (kt), Kubaka mill    | 223            | -              |
| Gold head grade (g/t), Kubaka mill | 2.2            | -              |
| Gold recovery, heap leach          | 24.90%         | 2.50%          |
| Gold recovery, CIP                 | 90.70%         | -              |
| Gold produced (Koz)                | 18.3           | 0.9            |

# Cash costs (Gold Institute Standard Co-product)



■ Gold ■ Silver

# Development projects

# Amursk POX Hub

- Large amount of refractory ore bodies in the Far East Russia
- Absence of processing capacity for refractory ores in the region
- Energy and labor are very expensive in remote areas



- Processing refractory concentrates from across the Russian Far East
- Amursk location:
  - Cheap power ( 4 ¢/kWh)
  - Skilled & stable workforce
  - Excellent transportation infrastructure (rail, auto, river)



# Amursk POX Facility

- Capex US\$ 120 million
- Concentrate processing capacity 250 ktpa
- Sulfide sulfur processing capacity 26 ktpa
- Opex 60-80\$/t of conc  
(depending on sulfur grade)

## Highlights:

- All equipment is on site with the autoclave and most of high-pressure circuit installed.
- Structural steel framework for the plant is in place
- Autoclave lining and installation of CIL and auxiliary equipment will commence in Q1 2011
- On track to start commissioning in August 2011 and pour gold in Q3 2011



# Albazino

- 1.5 Mtpa open pit mine and on-site flotation concentrator for a capital cost of US\$186 million
- 17.4 Mt of ore @ 4.1 g/t for 2.3 Moz contained

## Highlights

- Mining works have achieved design parameters with first 278kt of ore @ 3.7 g/t mined confirming existing tonnage and gold grade estimates.
- The concentrator is currently in the commissioning mode to be fully started in Q1 2011
- The remaining site infrastructure (repair shop, administrative building, and permanent lab) is expected to be commissioned in Q3 2011



Flotation concentrator and ore preparation complex

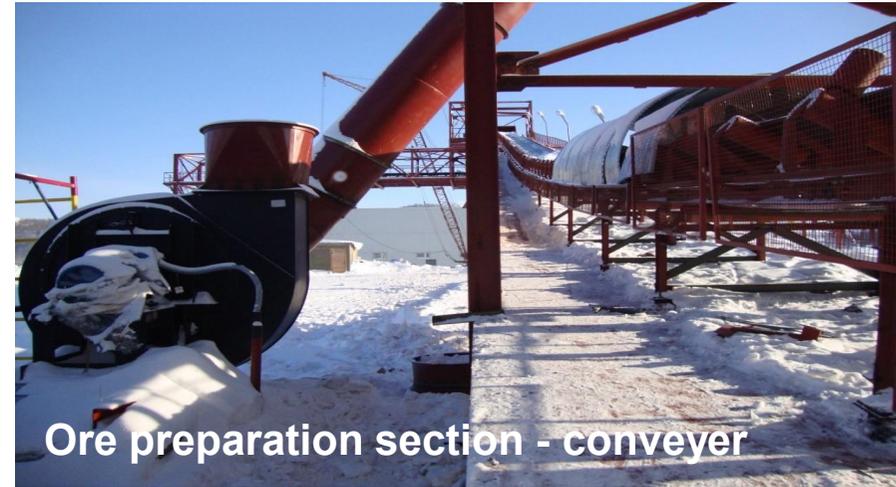


Flotation section



Open pit

# Albazino – in the commissioning mode to be fully started in Q1 2011



# Mayskoye

- 850ktpa underground mine and on-site flotation concentrator for a capital cost of ca US\$ 170 million. To be commissioned in Q1 2012
- First gold pour in Q4 2012
- Full mining and processing capacity to be reached by 2013

## Reserves and Resources

|                 | Tonnes (Mt) | Au grade (g/t) | Au (Moz) |
|-----------------|-------------|----------------|----------|
| <b>2P</b>       | 7.9         | 9.6            | 2.4      |
| <b>MI&amp;I</b> | 25.0        | 9.3            | 7.5      |

## Highlights

- Construction commenced in May 2010:
  - Underground development is in full swing. Extensive in-fill drilling consistently confirms existing reserve estimates in terms of grade and thickness of main ore bodies
  - Concentrator construction is in progress according to the schedule with foundations 60% complete and structural steel works having commenced in November 2010
  - Mill installation is planned for Q2 2011 with the majority of other equipment to arrive in Q3 2011 during the summer navigation period



# Omolon Regional Processing Hub

## Processing plan

|  | Grade, g/t |       | Recovery |     | Ore processed, Kt |            |            |            |            |
|--|------------|-------|----------|-----|-------------------|------------|------------|------------|------------|
|  | Au         | Ag    | Au       | Ag  | 2011              | 2012       | 2013       | 2014       | 2015       |
| Birkachan                              | 3.5        | 10.0  | 95%      | 60% | 550               | 550        | 450        | 400        | 350        |
| Sopka                                  | 12.0       | 260.0 | 95%      | 88% | 200               | 250        | 250        | 150        | 150        |
| Tsokol                                 | 6.0        | 5.0   | 95%      | 60% | -                 | 50         | 100        | 150        | 150        |
| Oroch                                  | 3.5        | 200.0 | 90%      | 82% | -                 | -          | 50         | 100        | 100        |
| Dalniy                                 | 8.0        | 150.0 | 95%      | 88% | -                 | -          | -          | 50         | 100        |
| <b>Total ore processed, Kt</b>         |            |       |          |     | <b>750</b>        | <b>850</b> | <b>850</b> | <b>850</b> | <b>850</b> |
| <b>Gold equivalent production, Koz</b> |            |       |          |     | <b>160</b>        | <b>193</b> | <b>201</b> | <b>181</b> | <b>191</b> |



# Exploration Strategy

## Target New Mine parameters

- Open-pit
- 15-year mine life
- At least 0.3 Moz per year for at least 10 years
- Mill grade
  - Heap leach > 1.5 g/t
  - Mill with grid power > 2.0 g/t
  - Mill with no grid power > 3.0 g/t



## Target Discovery parameters

- 5 Moz of Reserves
- 7 Moz of Resources
- Resource statements for 2 new discoveries out by 4Q 2012

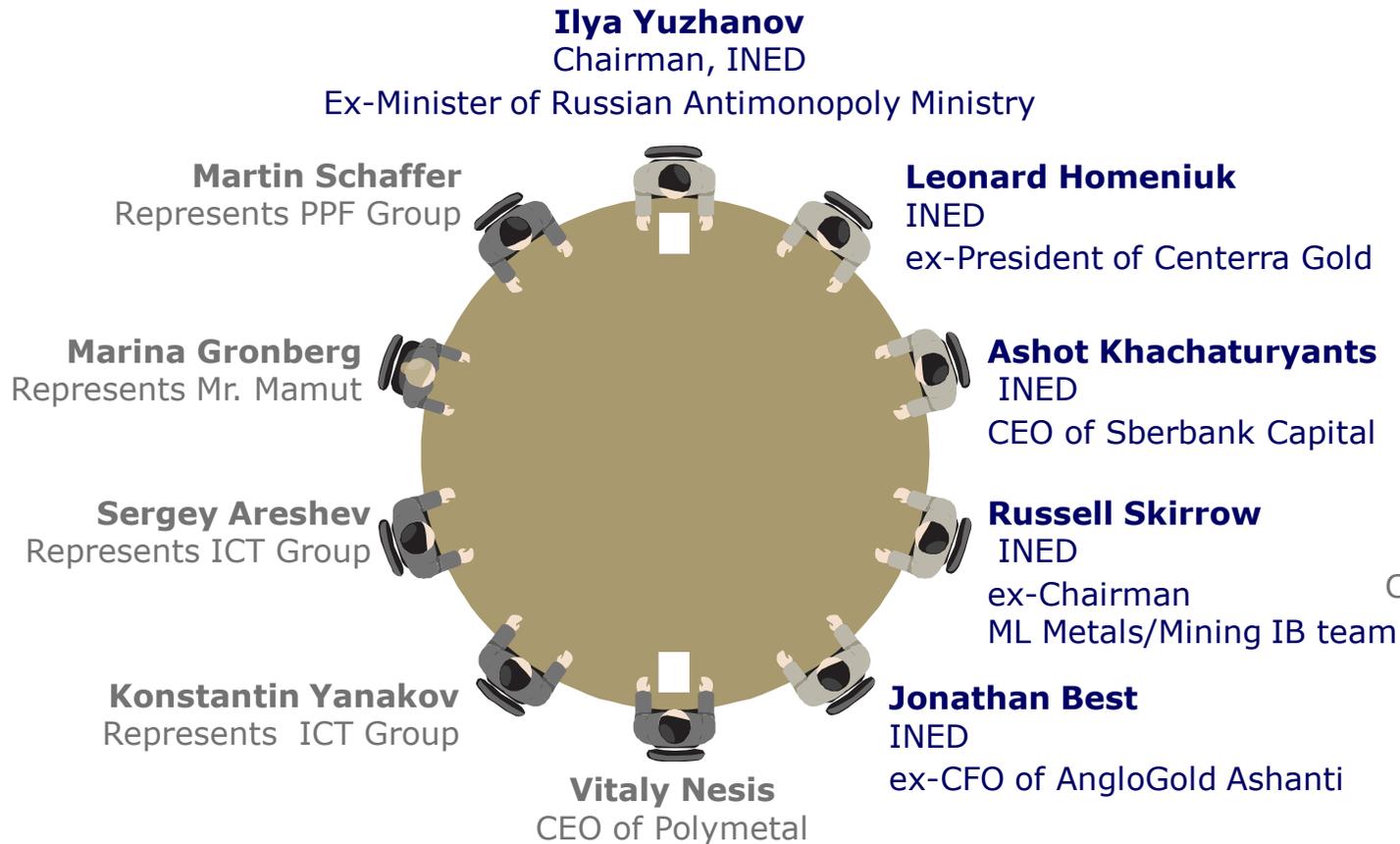
# Polymetal— Investment Thesis

- Quality assets with strong cash flows from operations
- Proven development and operational track record
- Unique strategy focused on processing hubs
- Strong production growth
- Strong corporate governance
- Professional and motivated workforce

# Appendixes

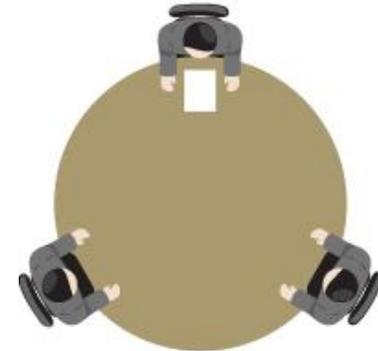
# Governance structure

## Board of Directors

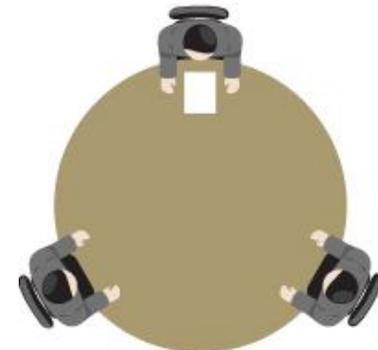


## Committees

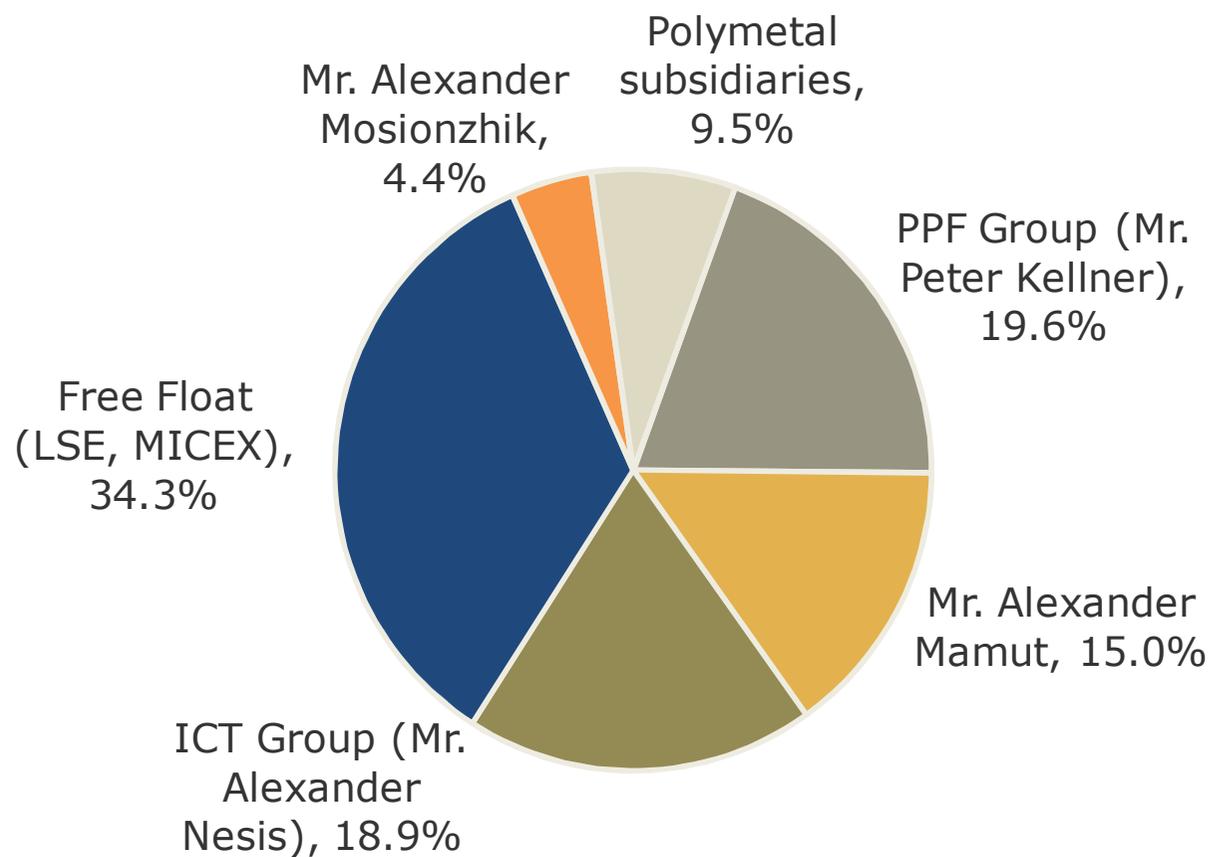
**Audit Committee**  
Chaired by Jonathan Best  
3 members



**Remuneration and Nomination Committee**  
Chaired by Leonard Homeniuk  
3 members

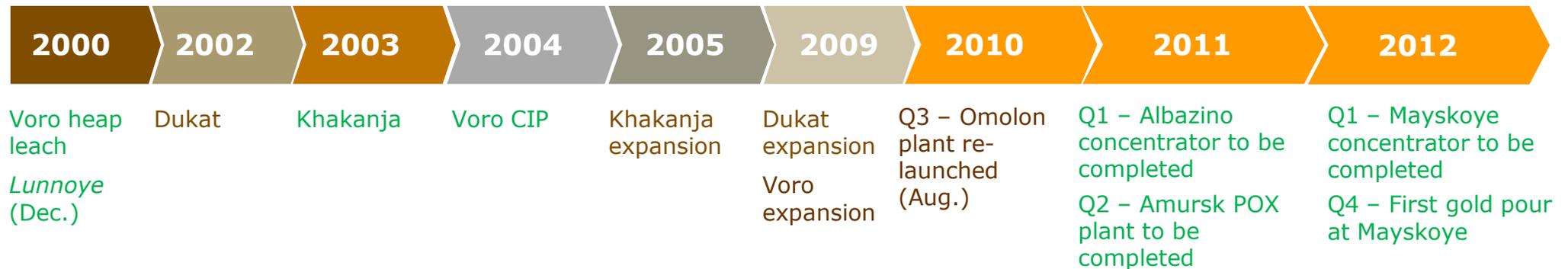


# Ownership structure



# Track Record and the Pipeline

- Outstanding track record in commissioning new mines
- All engineering and construction is being developed by in-house by Polymetal Engineering
- In-house engineering expertise provides a key competitive advantage



Greenfield projects  
Brownfield projects

## 2009-2011 M&A activity: 6 deals closed, 1 is pending

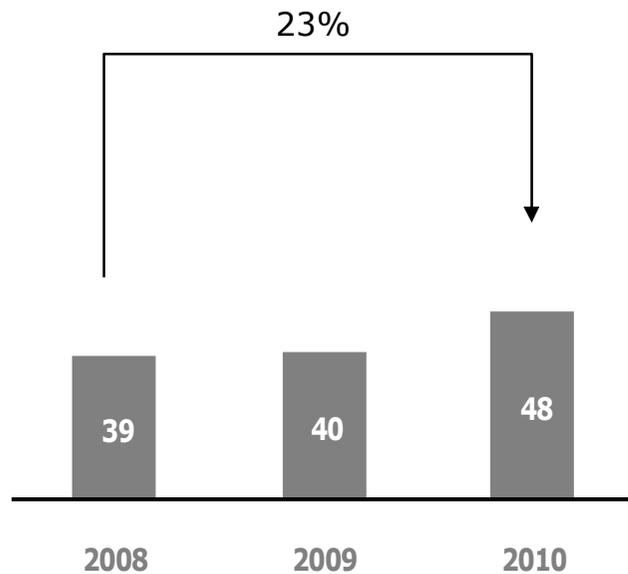
| Acquisition            | Resource, Moz (Au eq.) | Full EV, US\$m | US\$/ oz resource | Strategic Rationale                                   |
|------------------------|------------------------|----------------|-------------------|---|
| Goltsovoye             | 1.1                    | 47             | 45                | Bolt-on to Dukat                                      |
| Sopka                  | 1.4                    | 95             | 67                | Bolt-on to Omolon                                     |
| Mayskoye               | 7.5                    | 166            | 22                | World-class deposit; strategic fit with Albazino      |
| Varvara                | 3.8                    | 258*           | 68                | Immediate cash flows and entry into Kazakhstan        |
| Avlayakan and Kirankan | 0.5                    | 65             | 142               | Immediate cash flows<br>Bolt-on to Khakanja           |
| Svetloye               | 1.4                    | 9              | 7                 | Bolt-on to Khakanja                                   |
| Kutyn (pending)        | 1.2                    | 67             | 56                | Advanced exploration property in the strategic region |
| <b>Total/ Average</b>  | <b>16.9</b>            | <b>707</b>     | <b>42</b>         |   |

Using 1:60 Ag/Au and 5:1 Cu/Au conversion ratios

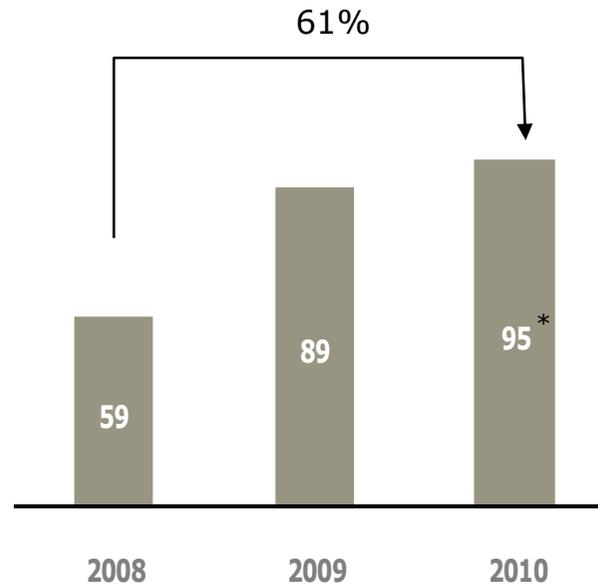
\*With limited (US\$90m) recourse to Polymetal

# Per share metrics demonstrate substantial shareholder value creation

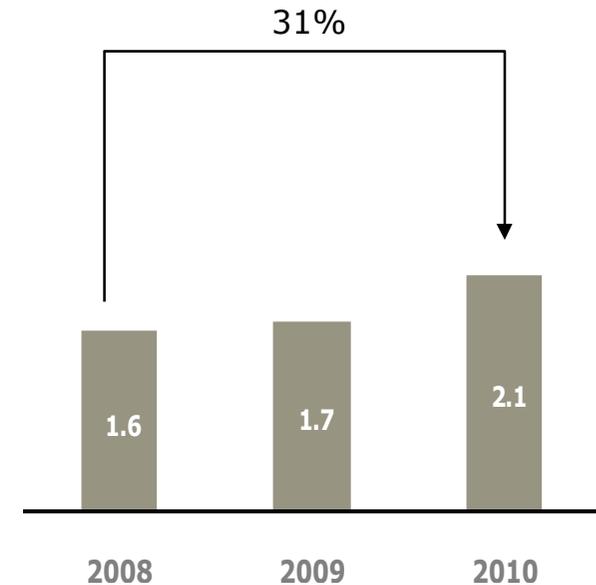
Reserves (Au eq.), koz/share



Resources (Au eq.), koz/share



Production (Au eq.), koz/share



Using 1:60 Ag/Au and 5:1 Cu/Au conversion ratios

2009 calculated based on 358 million shares.

2010 calculated based on 361 million shares.

\* Pro Forma for Svetloye and Avlayakan project

# Polymetal's Strategy: Processing Hubs

- Financial capital and human capital synergies
- Risk mitigation
- Flexibility and long life
- Management concentration on a limited number of projects



*Creating centralized processing facilities for the treatment of materials from different sources*