NATALKA : WORLD’S NUMBER 3
GOLD DEPOSIT DISCOVERED BY POLYUS GOLD

Evgueni Ivanov, CEO
DISCLAIMER

The information contained herein has been prepared using information available to Polyus Group at the time of preparation of the presentation. External or other factors may have impacted on the business of Polyus Group and the content of this presentation, since its preparation. In addition all relevant information about Polyus 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 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.
Located in Omchak river basin some 450 km north from Magadan, capital of Magadan region.

NATALKA - Large Precious metals deposits
Deposit was originally discovered in 1944.

Gold production started off in 1945 as an underground mine. 93.2 t (3 mln oz) of gold and 24.2 mln t of ore produced in 1945-2004.

Some 500 km of underground workings mined out down to the level of 600 m.

Production of gold was not economically viable.
Acquisition rationale:

- unique exploration opportunities;
- high possibility of substantial increase of reserves;
- new vision of Natalka as a large scale open pit mine.

**2003:** 38% stake in Matrosov Mine (the license holder) acquired through the open auction from the Government for US$34.5 mln.

**2004-2006:** 93.3% block consolidated.

Remaining reserves evaluated at 245 t (7.9 mln oz) of gold at 4.1 g/t.

Production shut down in 2004 to make way for a large scale exploration effort.
NATALKA AREA AND PIT OUTLINE

old mine premises

- new pit outline
NATALKA
EXPLORATION PLAN

2004-2006 exploration programme targets:

- 116,600 m diamond drilling
- 120,900 cubic meters of trenches
- 48,720 samples

7 high performance drilling rigs were acquired
New lab installed on the site
New team of 300 professionals was employed
In 2004 exploration budget of US$ 65 million was approved
NATALKA GEOLOGICAL MAP

Surface drilling and sampling layout
NATALKA EXPLORATION PROGRAM

Exploration programme carried out in 2004-2006:
- Drilling grid - 200x100/50 m
- Diamond drilling - 118 900 m
- Underground workings - 3 808 m
- Trenches - 654 500 cubic m
- Samples - 49 855

Datamine® model assembled, independent audit was carried out in 2005, 2006

Total budget 2004-2006 up to US$100 million:
- Exploration programme of US$65 million
- Shut down and liquidation of the existing mill and metallurgical facilities
- Relocation of the old mining team
- Mercury waists clean up
- New exploration licenses acquired – Vostochnaya, Degdekan, Tchay-Yurja
NATALKA
EXPLORATION DRILLING

Drilling grid 200x100/50 m

- Underground workings down to 600 m
- Surface drilling down to 200 m
- Underground drilling from 600 m to 200 m
NATALKA:
STATE LISTING OF RESERVES

Fall 2006 – exploration results are filed with GKZ Rosnedra* (State Commission on Reserves Evaluation), including:

- Scoping study prepared by VNIPI (leading Russian engineering institution with proved industry expertise and vast experience in scoping projects e.g. Muruntau etc.)
- Geological model and historical exploration data

GKZ listed reserves as of January 2007:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Balance reserves in pit outline B+C1+C2</th>
<th>Off balance reserves B+C1+C2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1500.8 t / 48 mln oz</td>
<td>335.3 t / 11 mln oz</td>
</tr>
<tr>
<td></td>
<td>1282.9 t / 41.2 mln oz</td>
<td></td>
</tr>
</tbody>
</table>

1.7 g/t

* - 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.
ORE BODY LATERAL SECTION
AND ORE GRADES

Cross section I  Cross section II  Cross section III

- 0.4-1.0 g/t
- 1.0-2.5 g/t
- above 2.5 g/t
ORE BODY CROSS SECTION I

- Pit outline
- B- reserves
- C1- reserves
- C2- reserves

Surface drill holes
ORE BODY CROSS SECTION II

- Pit outline
- C1- reserves
- B- reserves
- C2- reserves

Surface drill holes
Underground drill holes
ORE BODY CROSS SECTION III

- Pit outline
- C1- reserves
- C2- reserves

Surface drill holes
Underground drill holes
### Highlights of the approved scoping study

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut off grade</td>
<td>0.4 g/t</td>
</tr>
<tr>
<td>Pit wall bench</td>
<td>15 m</td>
</tr>
<tr>
<td>Pit walls (NE, SW)</td>
<td>38-40, 32-40</td>
</tr>
<tr>
<td>Pit length (SE – NW)</td>
<td>5 000 m</td>
</tr>
<tr>
<td>Pit width (NW – SE)</td>
<td>1 000 m</td>
</tr>
<tr>
<td>Pit depth (average)</td>
<td>600 m</td>
</tr>
<tr>
<td>Pit bottom level</td>
<td>150 m</td>
</tr>
<tr>
<td>Strip ratio</td>
<td>1.09 m³/t or 2.9 t/t</td>
</tr>
<tr>
<td>Ore loss/dilution</td>
<td>ca. 3%./ca. 9%</td>
</tr>
<tr>
<td>ROM ore</td>
<td>1,015 Mt, grade of 1.58 g/t, 52,557 k oz of gold contained about 30 years</td>
</tr>
<tr>
<td>Mine life</td>
<td>40 mtpa of ore</td>
</tr>
<tr>
<td>Recovery</td>
<td>ca. 87%</td>
</tr>
<tr>
<td>Average annual production</td>
<td>over 1 mln oz</td>
</tr>
</tbody>
</table>
NATALKA: PIT PLAN 150m

In pit roads
Pit benches, 15 m
Pit bottom, at 150 m
Pit outline at 0.4 g/t cut off
NATALKA: OPEN PIT PROJECT

<table>
<thead>
<tr>
<th>Highlights of the approved scoping study</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapEx</td>
</tr>
<tr>
<td>OpEx</td>
</tr>
<tr>
<td>IRR</td>
</tr>
<tr>
<td>Payback period</td>
</tr>
</tbody>
</table>
NATALKA ORE
BODY AND FINAL
PIT WALLS

Final pit walls at 150 m

Ore body

Final pit walls at 150 m

S
E
N
W
**NATALKA: WORLD’S #3 GOLD DEPOSIT**

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

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


**Total exploration costs amounted to US$3.2 per ounce.**
# NATALKA: RUSSIA’S #1 GOLD DEPOSIT

<table>
<thead>
<tr>
<th>#</th>
<th>Deposit / Group of deposits</th>
<th>Owner</th>
<th>Russian B+C1+C2 reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Grade, g/t</td>
</tr>
<tr>
<td>1</td>
<td>Natalka</td>
<td>Polyus Gold</td>
<td>1,7</td>
</tr>
<tr>
<td>2</td>
<td>Sukhoi Log</td>
<td>State owned</td>
<td>2,7</td>
</tr>
<tr>
<td>3</td>
<td>Nezhdaninskoe</td>
<td>Polyus Gold</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Olimpiada</td>
<td>Polyus Gold</td>
<td>3,9</td>
</tr>
<tr>
<td>5</td>
<td>Blagodatnoe</td>
<td>Polyus Gold</td>
<td>2,4</td>
</tr>
<tr>
<td>6</td>
<td>Mayskoe</td>
<td>Highland Gold</td>
<td>16,3</td>
</tr>
<tr>
<td>7</td>
<td>Kyutchus</td>
<td>Polyus Gold</td>
<td>9,8</td>
</tr>
<tr>
<td>8</td>
<td>Kupol</td>
<td>Bema Gold</td>
<td>16,9</td>
</tr>
<tr>
<td>9</td>
<td>Kuranakho</td>
<td>Polyus Gold</td>
<td>1,7</td>
</tr>
<tr>
<td>10</td>
<td>Pioner</td>
<td>Peter Hambro Mining</td>
<td>1,4</td>
</tr>
</tbody>
</table>

Polyus Gold’s total Russian B+C1+C2 balance reserves (as listed by GKZ Rosnedra) amount to 3 000 t or 96.5 mln oz.
NATALKA: NEXT STAGES OF THE PROJECT

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

- Pre-Feasibility, Feb 2007 – 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

Pilot plant to test the technology is scheduled for launch by 1H 2008

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

- Our experience tells that Russian B+C1 are fully convertible into international P&P if 100% of B+C1 and 25% of C2 are proved as P&P, Natalka reserves would increase 1.9 up to 40.1 million oz
- Polyus Gold’s total P&P reserves may increase up to 67.8 million oz to rank the Company’s reserves as world’s 3rd after Barrick Gold and Newmont Mining