



Denver Gold Forum

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Polymetal—key facts

2008 Production

Gold 285 Koz (+18% Y-o-Y)

Silver 17.2 Moz (+8% Y-o-Y)

2008 Co-product Cash Costs

Gold eq. 472 US\$/oz

2008 Adj EBITDA

US\$ 193m

2P Reserves (JORC)¹

Gold eq.² 12.7 Moz @ 5.7 g/t

Capital Structure

Net debt³ c. US\$ 340 m

Market cap US\$ 2.4 bn⁴(315m shares)

¹ Including Sopka Kwartsevaya

² Using 60 Au/Ag conversion rate

³ As at 30 June 2009

⁴ LSE price as of September 2, 2009

Polymetal: Asset portfolio

Voro

Production: 132Koz Au

Reserves: 1.7Moz Au @ 2.8 g/t

Cash costs: US\$413/oz of Au

Dukat Operations

Production: 15.9 Moz Ag and 45.1Koz Au

Reserves: 360Moz Ag @ 405 g/t
0.85Moz Au @ 1.0 g/t

Cash costs: US\$8.1/oz of Ag

Mayskoye

Resources: 7.5 Moz Au @ 11.8 g/t

Omolon Operations

Reserves: 0.5Moz Au @ 12 g/t
11.6Moz Ag @ 260 g/t

Resources: 2.6Moz Au @ 2.4 g/t
44Moz Ag @ 42 g/t

Khakanja

Production: 109Koz Au and 1.3Moz Ag

Reserves: 0.6Moz Au @ 5.4g/t
29Moz Ag @ 245 g/t

Cash costs: US\$513/oz of Au

Amursk POX hub+Albazino

Reserves: 2.3Moz Au @ 4.1 g/t

Varvarinskoye

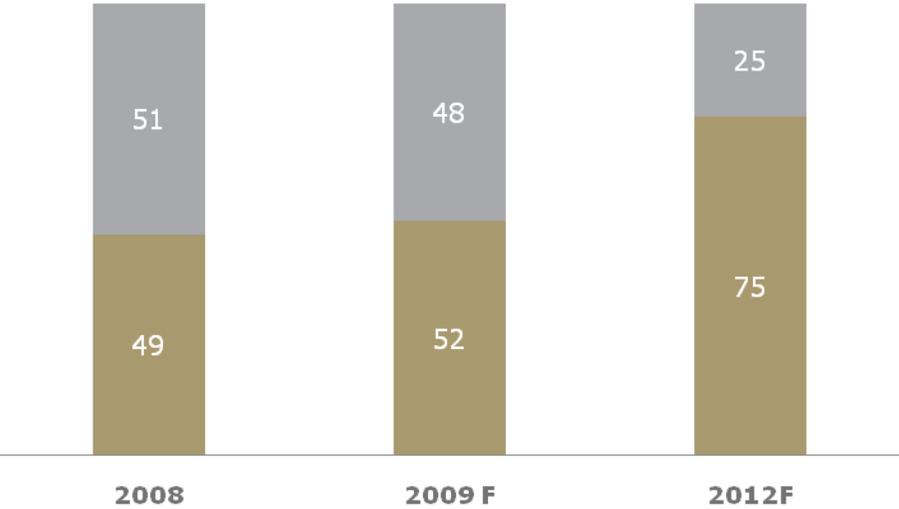
Reserves: 1.3Moz Au @ 1.14 g/t
151m lb Cu @ 0.66%

Resources: 3.1Moz Au @ 1.05 g/t
313m lb Cu @ 0.3%

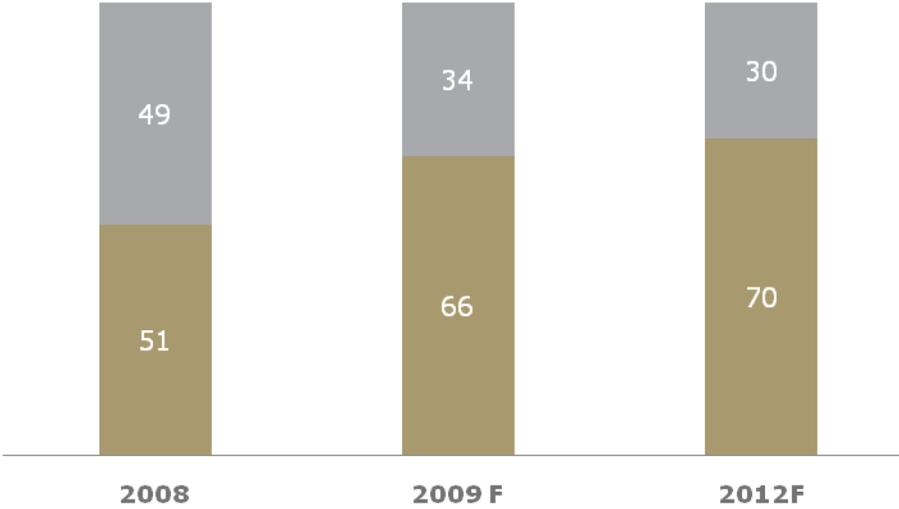


Moving towards gold

Revenue Split*, %



Resource Split*, %



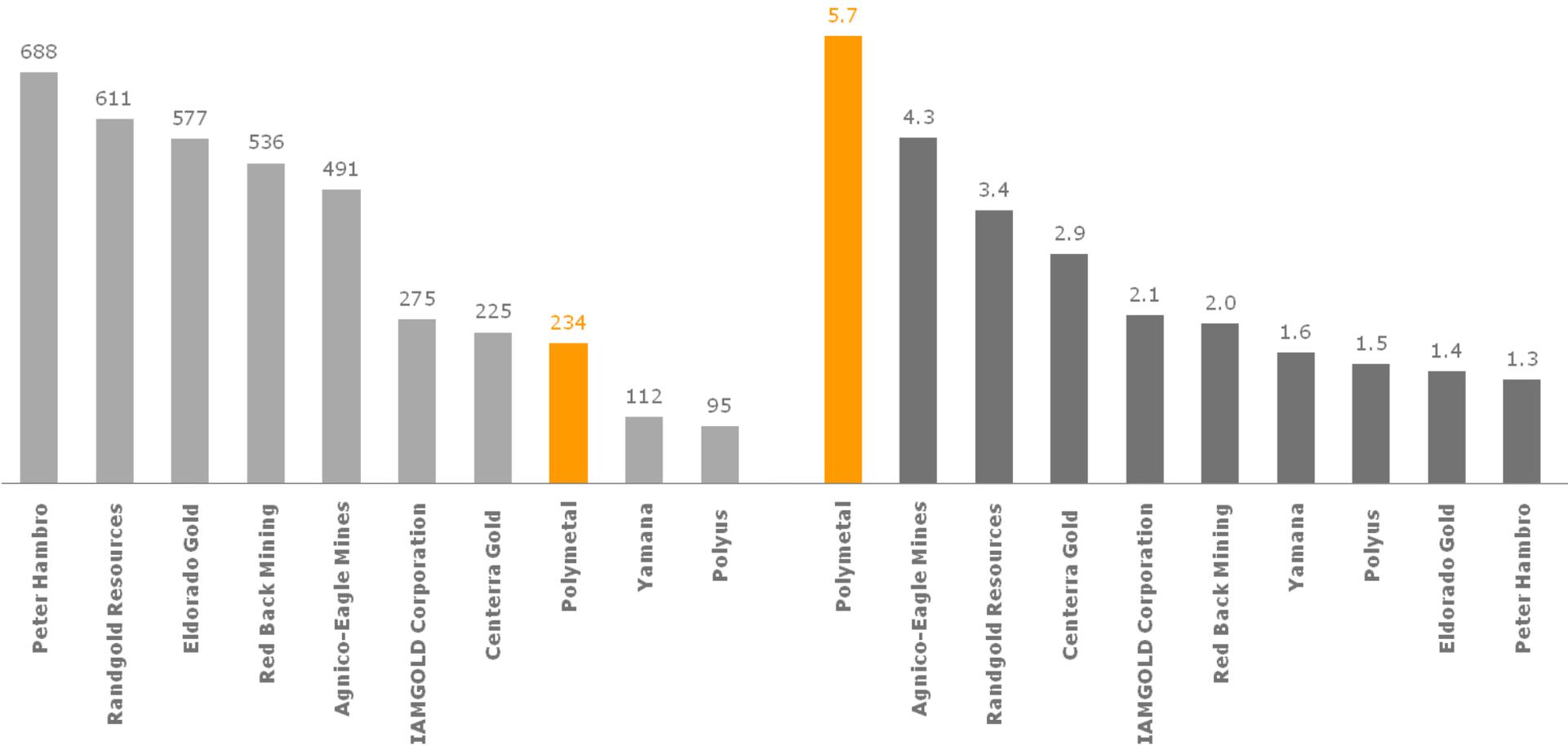
Gold Silver

*60 Au/Ag conversion rate

Cheap, High-grade reserve ounces

EV/Reserves

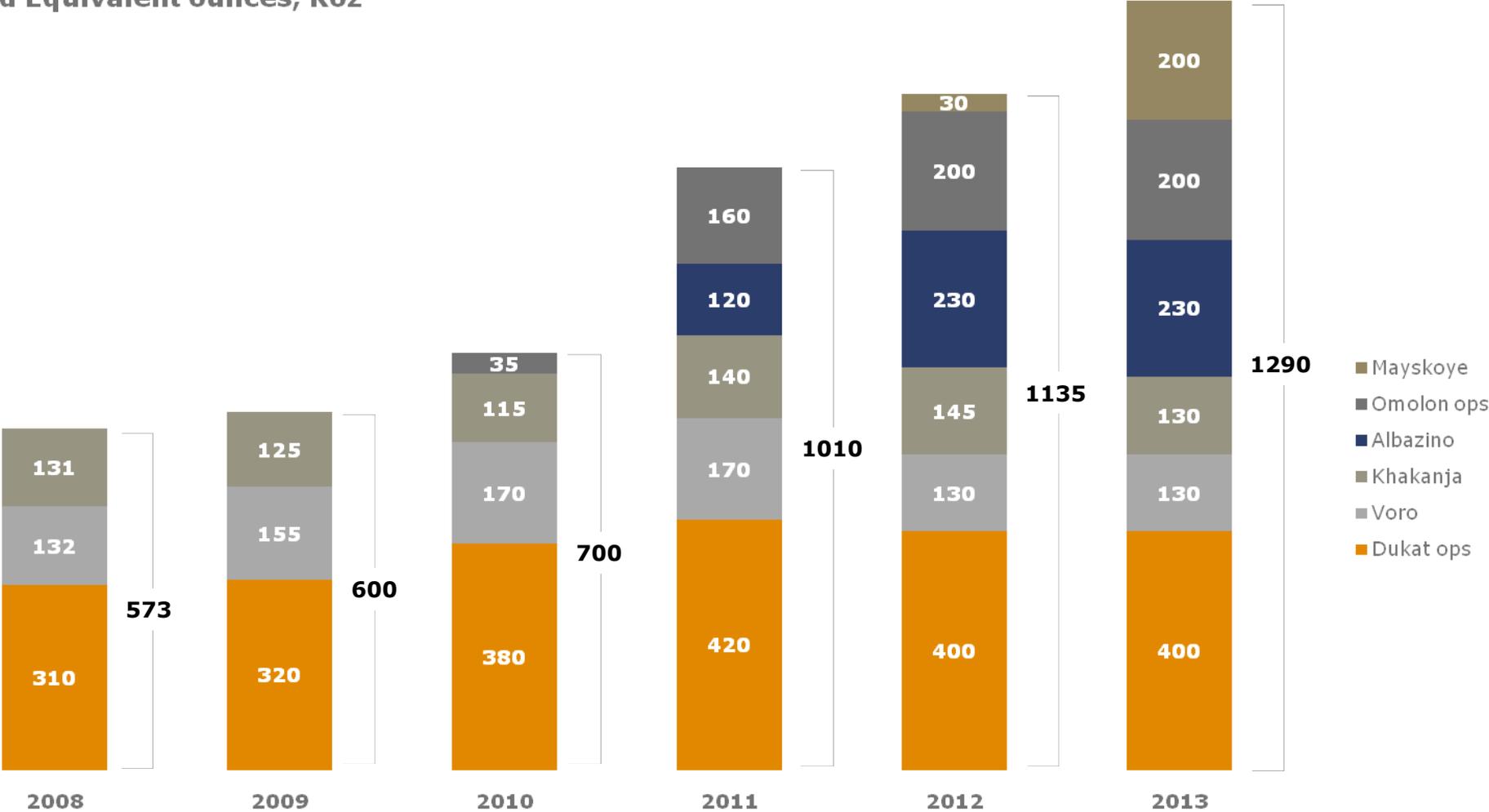
Average reserve gold eq. grade



Based on JORC reserves

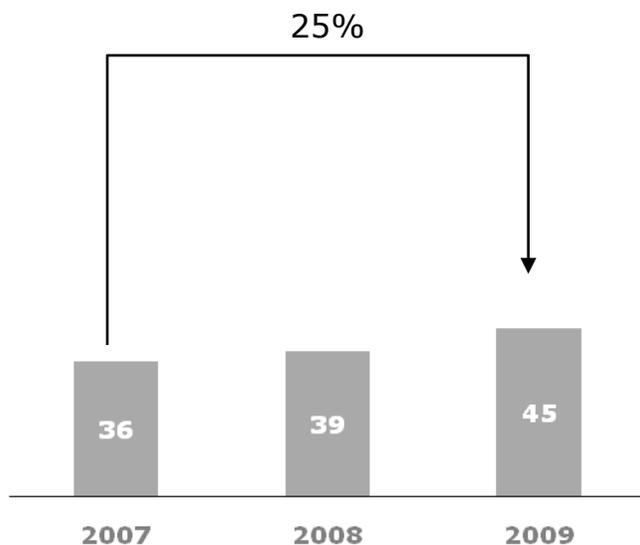
Compelling growth profile

Gold Equivalent ounces, Koz

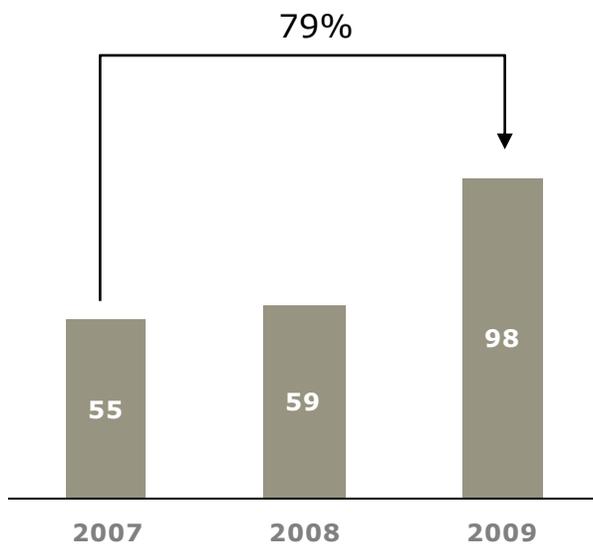


Per share metrics demonstrate substantial shareholder value creation

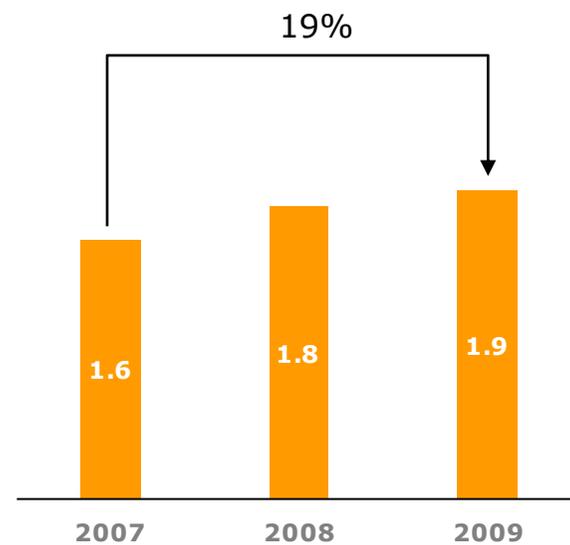
Reserves (Au eq.*), koz/share



Resources (Au eq.*), koz/share



Production (Au eq.*), koz/share



*60 Au/Ag conversion rate

M&A driven by strategy

A

Additional source of ore to our processing hubs

or/and

B

World-class reserve size (3Moz) and annual production (200Koz)

+

C

Delivery of near term production and cash flow

Recent M&A activity

Acquisition	Location	Announced	Status	Deal Value	Meets Criteria
Goltsovoye	Magadan	Jan-09	Closed	US\$11m cash and 7.5m of shares	A,C
Sopka	Magadan	April-09	Pending (Nov-09)	10m of shares	A,C
Mayskoye	Chukotka	April-09	Pending (Nov-09)	15.9m of shares or US\$96m in cash + accrued interest	A,B
Varvarinskoye	Kazakhstan	June-09	Pending (Nov-09)	US\$20m cash + ~US\$235m debt obligations with limited recourse (US\$90m) to Polymetal	B,C

Processing Hubs

Amursk POX Hub

Industry Reality

Large amount of refractory ore bodies in the Far East Russia

Absence of processing capacity for refractory ores in the region

Very expensive energy and labor in remote areas

Polymetal's Solution

Amursk POX Hub

Rationale

- Processing refractory concentrates from across the Russian Far East
- Amursk location:
 - Cheap power
 - Skilled & stable workforce
 - Excellent transportation infrastructure

Albazino-Amursk

- 1.5 mtpa flotation concentrator on site
- 0.23 mtpa POX plant in Amursk (15ktpa sulfur capacity)
- Sufficient capacity to treat Albazino, Mayskoye and more sources of feed
- Construction commenced in November 2008, on schedule
- US\$238 million CAPEX

Reserves and Resources

	Ore tonnes (Mt)	Au grade (g/t)	Au (moz)
2P	17.4	4.1	2.3
MI&I	21.3	4.3	3.0



- Road under construction
- Concentrate transportation by Amur river
- Deposit
- Settlement

Mayskoye

- World class deposit in terms of size and grade
- CAPEX to be drastically reduced by treating ore concentrate in Amursk
- Concentrate transportation costs more than compensated by a fall in treatment cost at Amursk:
 - Cheaper energy, labor and consumables

Reserves and Resources

	Ore tonnes (Mt)	Au grade (g/t)	Au (moz)
MI&I	19.8	11.8	7.5

Outlook

- Q4 2011—First concentrate production



- Sea route
- Deposit
- Settlement

Omolon Regional Processing Hub

Industry Reality

A number of small to medium size high-grade deposits in the Northeast Magadan region

Numerous highly prospective epithermal Au-Ag ore occurrences in the region

Polymetal's Solution

Omolon Regional Hub

Rationale

- An existing 850 Ktpa CIP plant in excellent condition
- Ore to be processed from Birkachan, Oroch, Sopka and Dalnyi deposits
- Heap leach of low-grade material

Omolon Regional Processing Hub (cont.)

- JORC-compliant reserve report and development plan for the entire Omolon hub (Birkachan, Oroch, Sopka, Dalniy) in Q1 2010
- CIP plant restarted in Q3 2010
- Sopka to provide high grade ore feed to the mill starting from 2011
- Full capacity reached in 2012, annual production up to 200Koz of gold equivalent

Reserves and Resources

	Ore tonnes (Mt)	Ag grade (g/t)	Ag (moz)	Au grade (g/t)	Au (moz)
Reserves					
Sopka	1.4	260	12	12.0	0.5
Resources					
Birkachan*	19.4	27	17	2.5	1.6
Sopka	13.4	63	27	2.3	1.0
MI&I	32.8	42	44	2.4	2.6

*including Oroch



- Road under construction
- Deposit
- Settlement

Varvarinskoye

Transaction structure

- Purchase price: up to US\$ 20 million
 - US\$ 8 million in cash at completion
 - Deferred consideration of up to a maximum of US\$ 12 million (plus any deferral interest), contingent on and calculable in reference to future prices of gold and copper.
- Existing debt and hedge liabilities (~US\$ 235 million) will be restructured and transferred to the Varvarinskoye asset level, with limited recourse to Polymetal (US\$ 90 million).
 - Straight debt: US\$ 73 million owed by Varvarinskoye to the Banks
 - Hedging liabilities owed by European Minerals: forward contracts for 338,468 ounces of gold at US\$ 574.25 per ounce. Mark to market value of c. negative US\$ 140 million (based on US\$ 950/oz spot)

Varvarinskoye (cont.)

Asset

- Large gold/copper deposit located in the mining district with excellent infrastructure and significant exploration potential
- Turnaround plan formulated:
 - Strengthen grade control program
 - Additional investment in mining equipment to catch up with insufficient waste stripping
 - Further streamlining and optimization of the mining and processing operations
- An opportunity to significantly improve operation economics through production increase and lower costs

Reserves and Resources

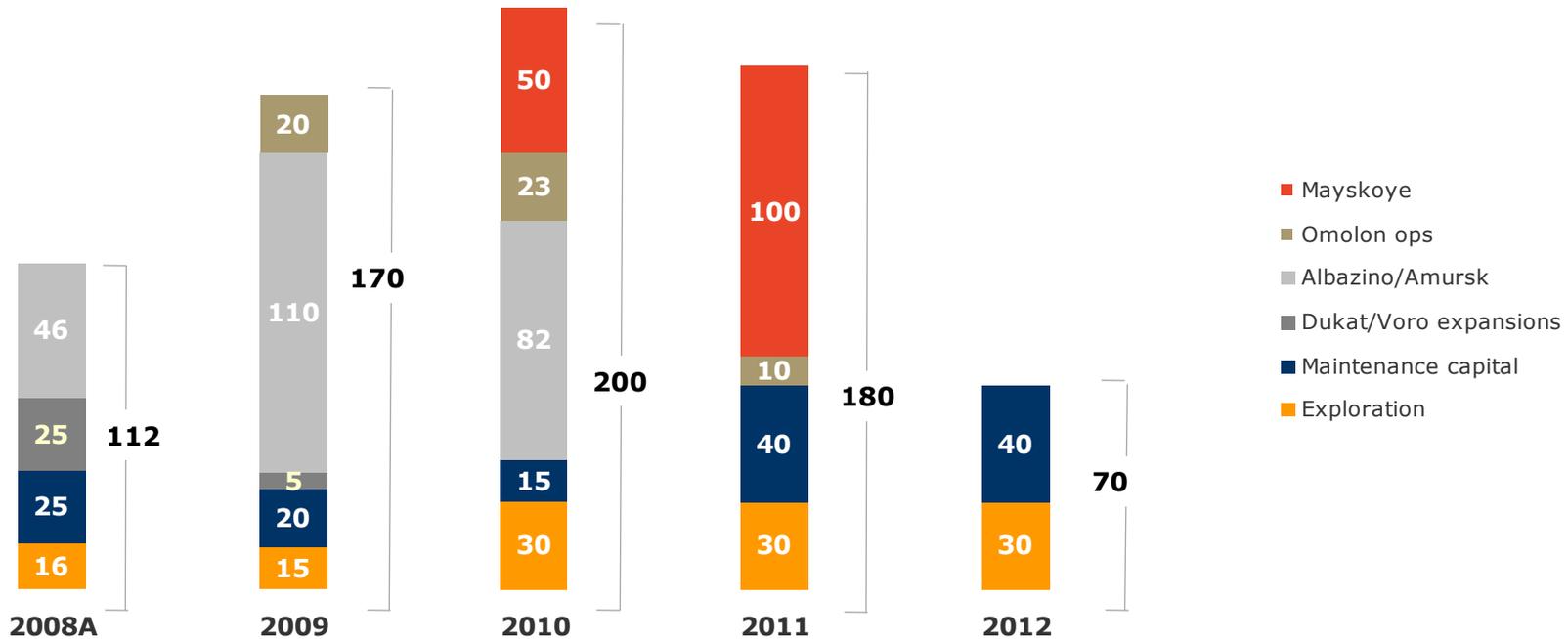
	Ore tonnes (Mt)	Au grade (g/t)	Au (moz)	Cu grade (%)	Cu (M lb)
2P	36	1.1	1.3	0.7	151
MI&I	92	1.1	3.1	0.3	313

Strategic rationale

- Entry into Kazakhstan - one of the most attractive gold mining regions in the former Soviet Union with many further attractive targets;
- Acquisition of a large modern plant, located in the region with excellent infrastructure, cheap energy, and highly prospective geological settings.
- Tremendous reserve growth potential after the streamlining and optimization of mining and processing operations.

Project CAPEX

Capital Expenditure, US\$ million



* US\$16 million of exploration capex was accounted in operating expenses in 2008

Company debt level

- Current net debt approximately US\$340 million (as at 30 June 2009) – all short-term, but easy to refinance trade finance facilities mostly with large Russian banks (VTB, Gazprombank, NOMOS, UniCredit Russia)
- 44% denominated in US dollars, 56% - in roubles
- Weighted average annual interest rates:
 - 9% in US\$
 - 16% in roubles

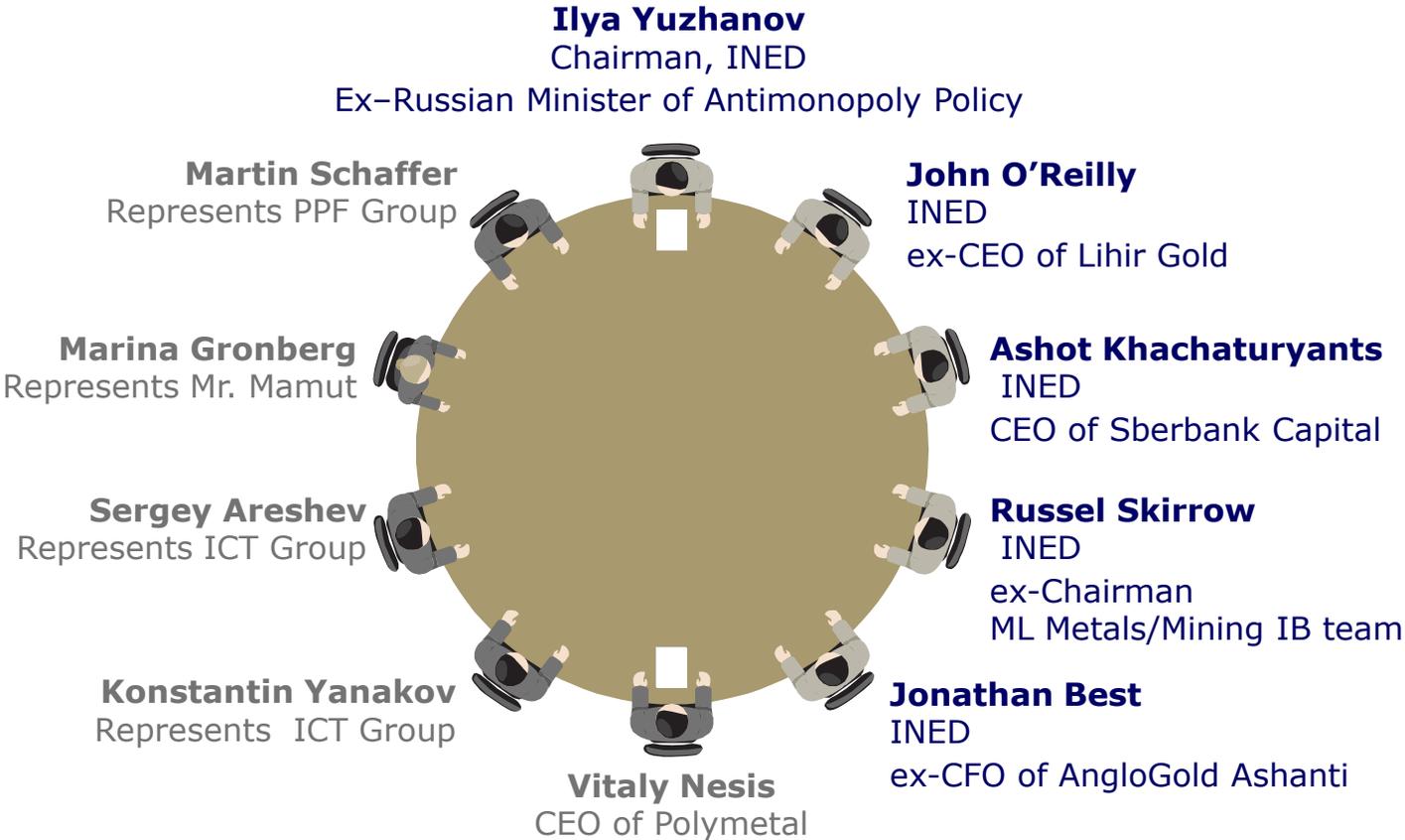
Steps undertaken to restructure short term debt into long term:

- 5 billion rouble bond to be issued in September-October 2009 (3 years maturity)
- ECA-covered loans to be used to finance large equipment purchases for the total value of c. €25 million. €15.7 million facility provided by NOMOS-BANK and funded in back-to-back manner by UniCredit is already in place.
- Syndicated club deal for at least US\$150 million is being negotiated with EBRD and UniCredit

Corporate Governance

Governance structure

Board of Directors



Committees

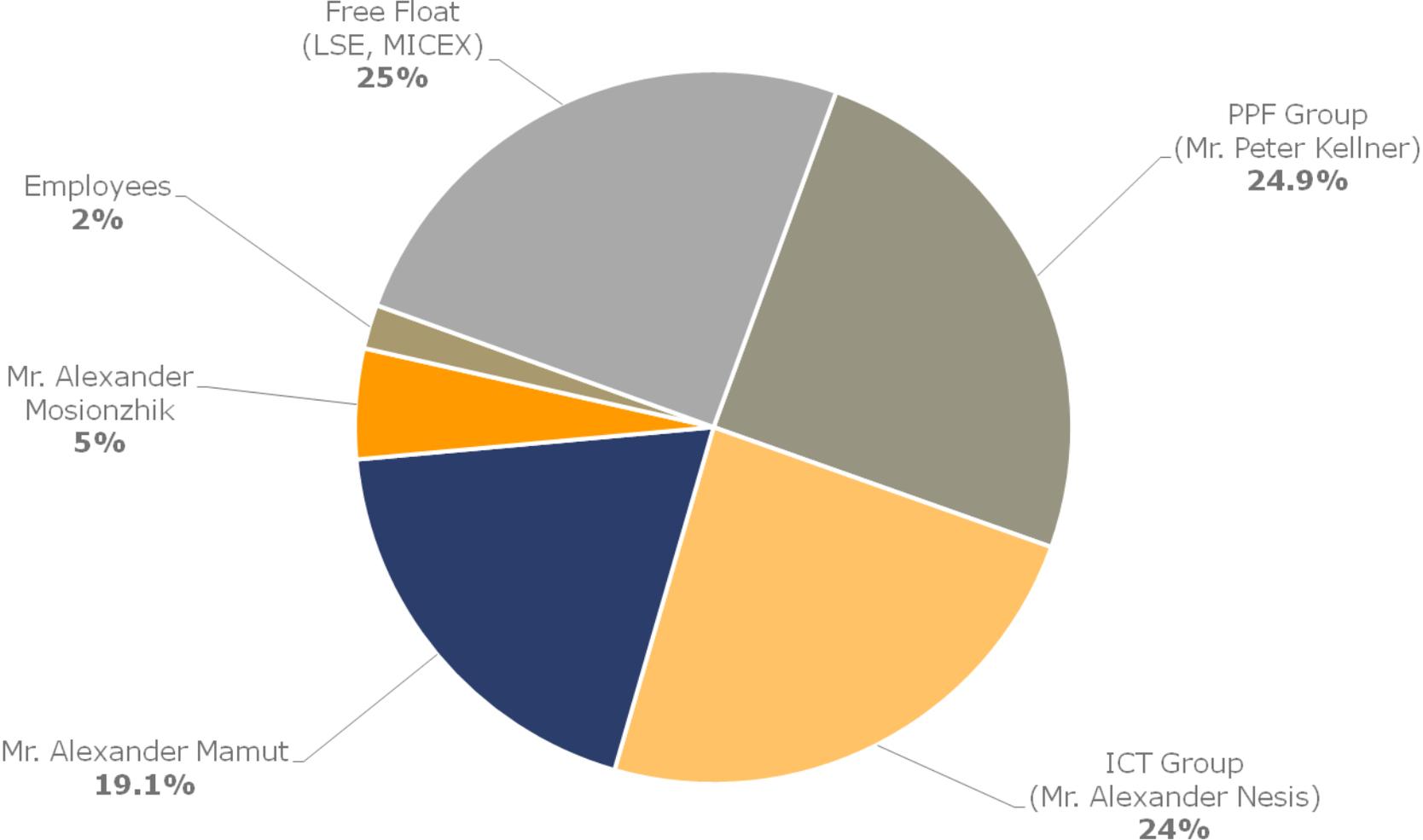
Audit Committee
Chaired by Jonathan Best
3 members



**Remuneration and
Nomination Committee**
Chaired by John O'Reilly
3 members



Ownership structure



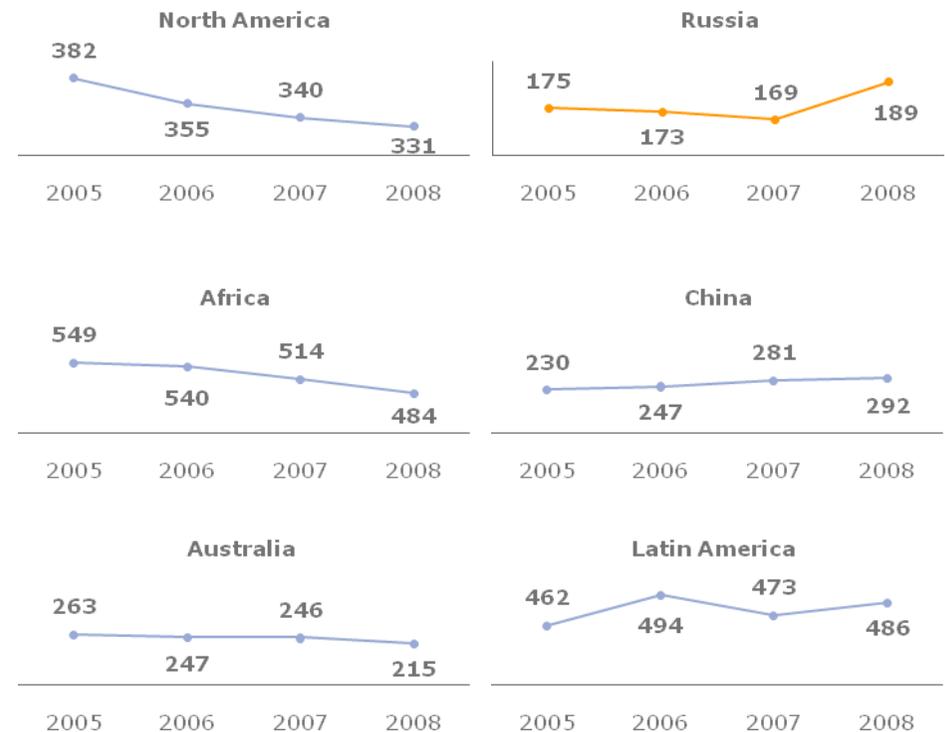
Russia

Why Russia

Russia will be one of the prime growth regions in gold in the next decade

- Prime growth region – 25% y-o-y increase in gold production in 1H 2009
- Stable political situation compared with many other resource-rich jurisdictions
- Stable legislative regime for established players, with minimal barriers
- Russian government supportive of mining:
 - One of key drivers behind economic growth
 - Jobs in remote regions
 - Improvements in infrastructure

Trends in global gold production, t



Sources: GFMS,

Polymetal— Value Proposition

- Quality assets with strong operational cash flows
- Proven development and operational track record
- Clear and achievable growth strategy focused on processing hubs - unique positioning in Russia
- Strong corporate governance

Vision for the future

To comply best corporate governance and social responsibility practices



To be the leading precious metals mining company in FSU as measured by creation of shareholder value

To produce over 1Moz gold equivalent by 2011

Appendix

Track Record

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



Greenfield projects
Brownfield projects

Dukat+Lunnoye

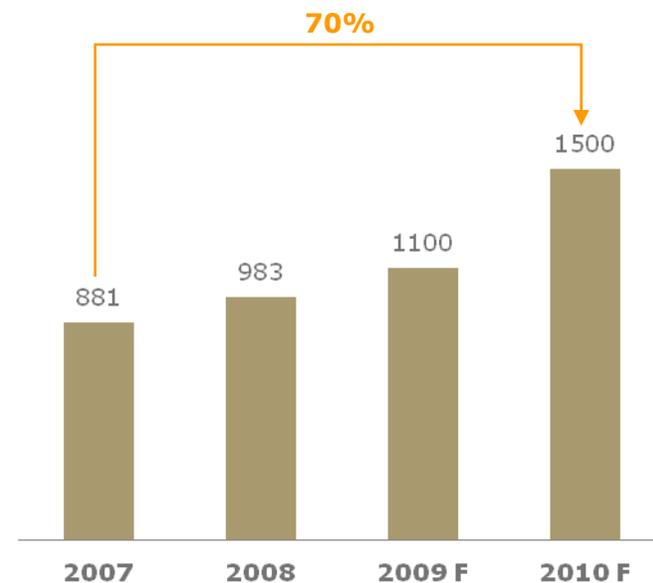
- Dukat processing plant expanded from 0.9 to 1.5Mtpa
- Starting up late September
- Ongoing exploration at Dukat flanks:
 - 14Moz of silver @ 364 g/t added to JORC resources last year as a result of exploration program at Perevalnoye

Reserves¹

	Ore tonnes (Mt)	Ag grade (g/t)	Ag (moz)	Au grade (g/t)	Au (moz)
2P	27.6	405	360	1.0	0.9

¹Excluding Goltsovoye

Dukat throughput (kt)



Goltsovoye

- High-grade silver deposit in close proximity (84 km) to Dukat processing facilities
- Ramping up Dukat expansion with the high-grade ore in 2010-2011 will improve Dukat economics
- All permits for development obtained
- Underground development works and access road upgrade commenced

Reserves and Resources

	Ore tonnes (Mt)	Ag grade (g/t)	Ag (moz)
MI&I	2.4	895	69

Outlook

- 150–170ktpa capacity, 12 years LOM (narrow-vein mechanized underground mine)
- To be commissioned in Q2 2010

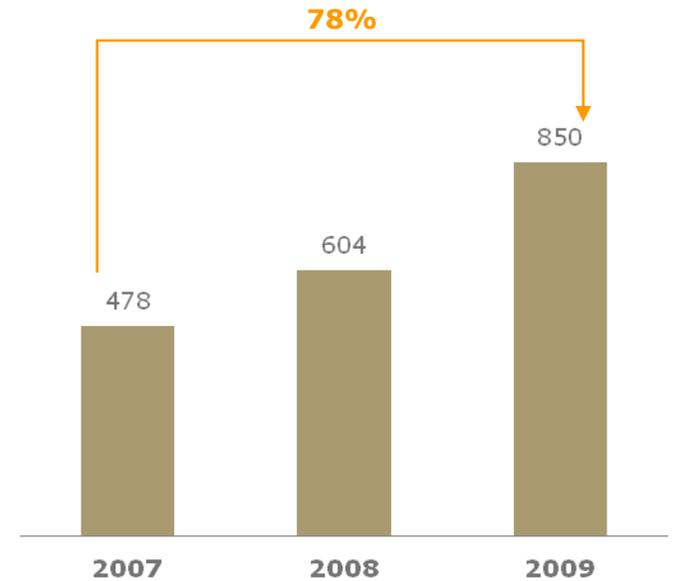
Voro

- CIP Expansion successfully completed and ramped up on time and on budget
- Throughput increase to 0.9 Mtpa

Reserves & Resources

	Ore tonnes (Mt)	Au grade (g/t)	Au (moz)
2P	19.2	2.8	1.7

Voro CIP throughput (kt)



Sopka Kwartsevaya

- Substantial source of high-grade feed for Kubaka processing plant
- Synergy with Kubaka - avoiding the capital costs of stand-alone plant construction

Reserves and Resources

	Ore tonnes (Mt)	Au grade (g/t)	Au (moz)	Ag grade (g/t)	Ag (moz)
2P	1.4	12.0	0.5	260	12
MI&I	13.4	2.3	1.0	63	27

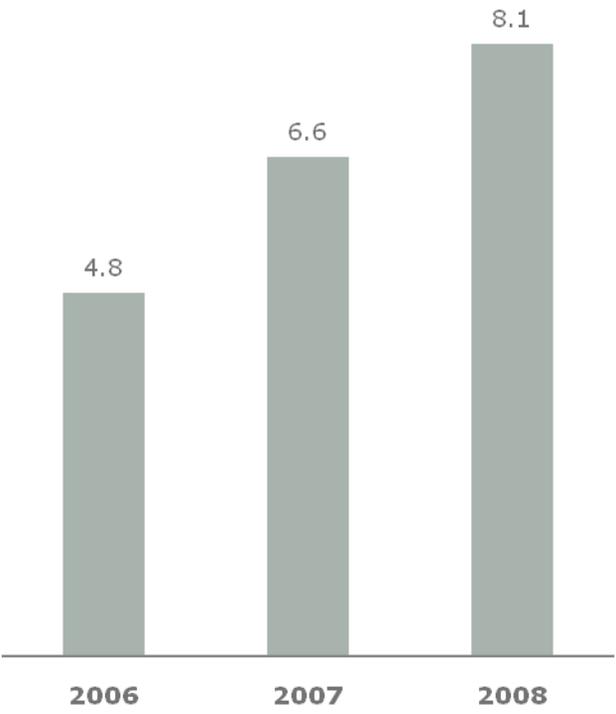
Outlook

- Open pit operation with high-grade ore hauled to Kubaka for processing
- Will add in excess of 100Koz to annual gold production starting from 2011
- Heap leach potential to be evaluated

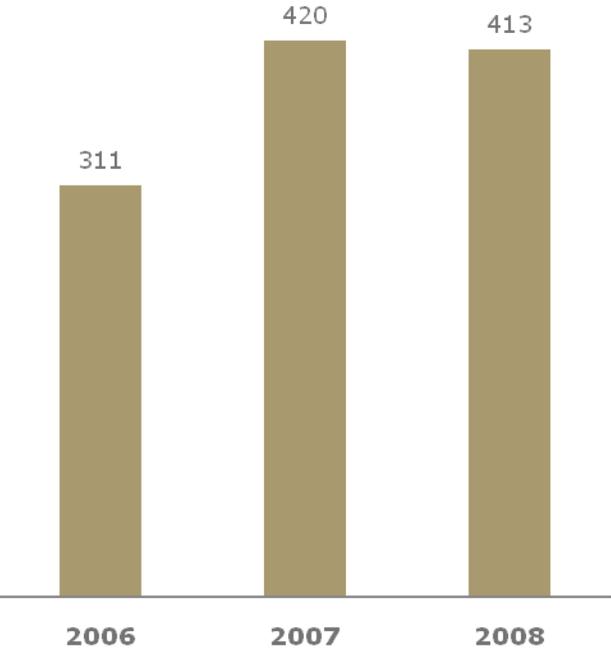
Cash costs

Per ounce

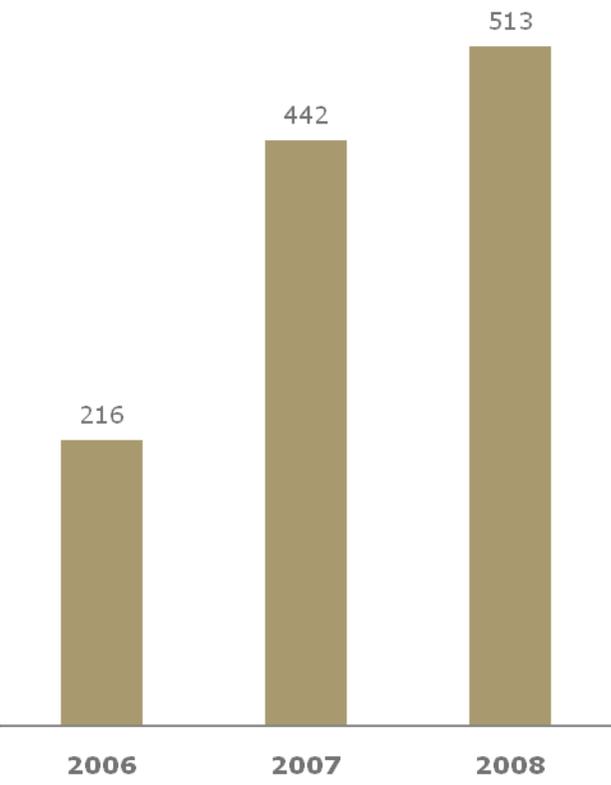
Dukat & Lunnoe
\$/oz silver eq.



Voro
\$/oz gold eq.



Khakanja
\$/oz gold eq.

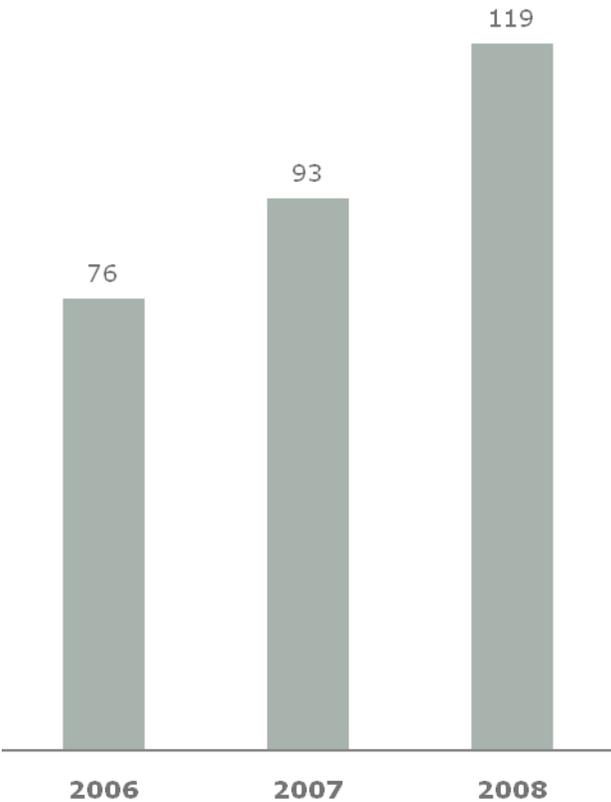


Gold Silver

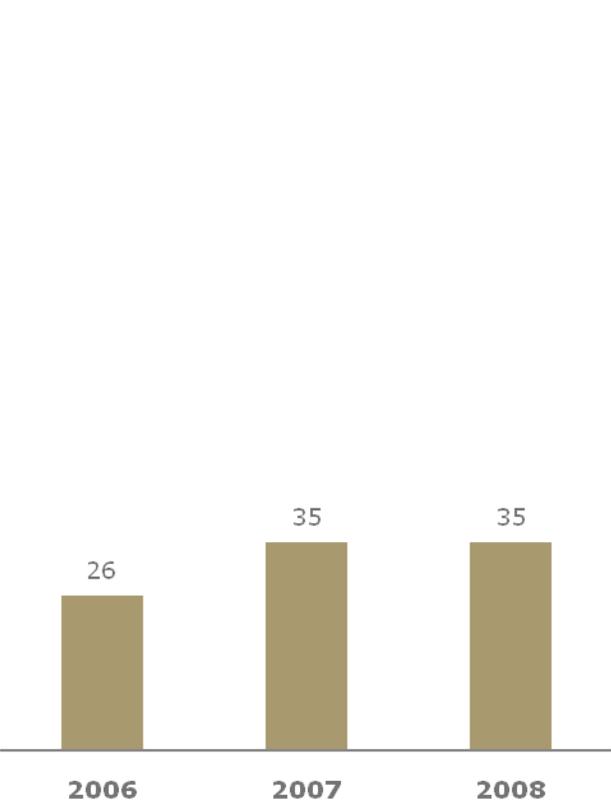
Cash costs

Per tonne milled

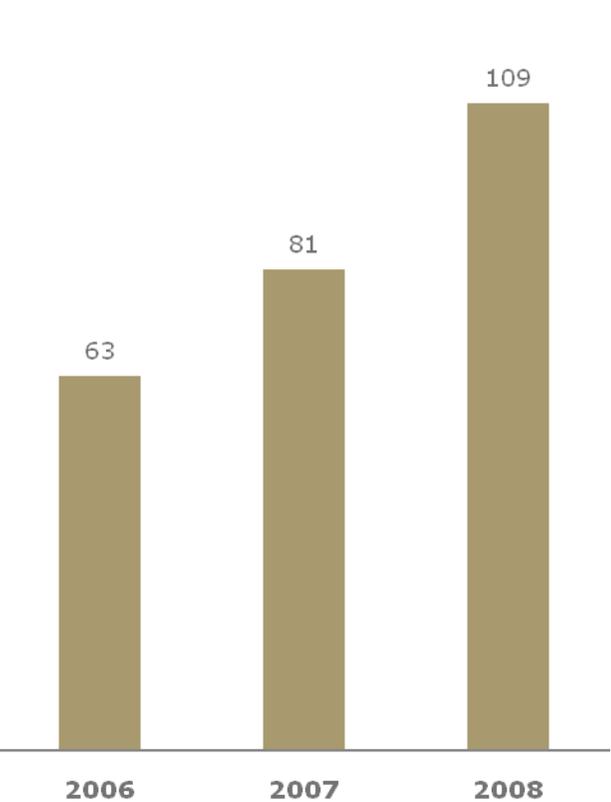
Dukat & Lunnoe
\$/tonne milled



Voro
\$/tonne milled



Khakanja
\$/tonne milled



■ Gold ■ Silver

Why Russia

Tremendous exploration upside

Much of Far East Russia is unexplored for hard rock gold deposits

Chukotka region

- Widely viewed as most prospective gold region in the world
- Alluvial gold mined since 1950s. First hard rock gold mining commenced in 1996
- Kupol and Mayskoye only two big deposits discovered to date

Magadan Region

- Lack of infrastructure prevented development of hard rock deposits
- Numerous gold and gold-silver deposits in the region

Historical alluvial and hard rock production

Russian Region	Alluvial (Moz)	Hard rock (Moz)
Chukotka	28.3	1.2
Magadan	85.2	10.2