



We know the worth of gold

**POLYUS: No 1 GOLD PRODUCER IN
RUSSIA. SUCCESSFUL STRATEGY
IMPLEMENTATION.**

Evgueni Ivanov, CEO

**RBC Capital Markets Gold Conference
10 November 2005**

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POLYUS TODAY

- ✓ The leading gold producer in Russia.
- ✓ 13.3 mln. oz of JORC reserves plus 51.1 oz of JORC resources.
- ✓ 2004 results:
 - Gold production - 1 085 k oz
 - Total cash costs - \$ 175 per oz
 - EBITDA - \$ 208 mln.



GROUP OPERATIONS



Olimpiada,
Blagodatnoye,
Tyrada,
Titimuhta,
Olenye,
Panimba

**Natalka,
Vostochnaya,
Degdekan**

**Zapadnoye,
Verninskoye,
Pervenets,
Chertovo
Koryto,
Mukodek**

- ✓ Three **operating** mines; 16 development/ exploration projects;
- ✓ Operations in Krasnoyarsk, Irkutsk, Magadan, Amur regions and in the Republic of Sakha (Yakutia);



ASSETS PORTFOLIO

Amur region

Exploration

Pre-

feasibility

Feasibility

Development

Production

Bamskoe

Krasnoyarsk region

Olympiada / Tyrada

Olenye

Blagodatnoye / Titimuhta

Panimba

Irkutsk region

Zapadnoe

Pervenets / Verninskoe

Chertovo Koryto

Mukodek

Magadan region

Natalka

Degdekan / Vostochnaya

Yakutia

Kuranakh

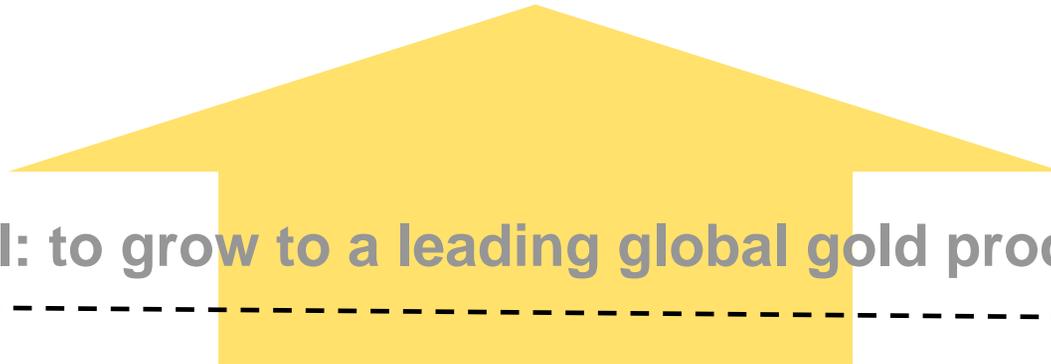
Nezhdaninskoye

Kyutchus



MISSION & STRATEGY

Our mission is to reveal nature's values and human wealth for the benefit of our shareholders, employees and the communities



Strategic goal: to grow to a leading global gold producer by 2010

- ✓ Market value – up to \$8 bln.
- ✓ Annual production in Russia – up to 3.2 mln. oz of gold.
- ✓ Proven & probable reserves – up to 70.7 mln. oz of gold.
- ✓ Total cash costs – \$220-240 per oz.
- ✓ Independent gold major listed in Russia and overseas (NYSE or TSX).



STRATEGY IMPLEMENTATION

TO BECOME A LEADING GLOBAL GOLD PRODUCER BY 2010 WE WILL:

**Continue large-scale exploration works
on existing fields**

Upgrade our production capacities

**Create an independent company
Go on with proactive M&A**



Exploration Projects & Reserves Replacement In 2005



2005 JORC AUDIT RESULTS

✓ JORC reserves amount to 13.3 mln oz

	Proven		Probable		Proven & Probable reserves, k oz
	Grade, g/t	Gold, k oz	Grade, g/t	Gold, k oz	
Olimpiada	4.6	3 100	3.8	8 700	11 800
Verninskoe	-	-	3.3	1 100	1 100
Zapadnoe	-	-	2.8	400	400
Total		3 100		10 200	13 300

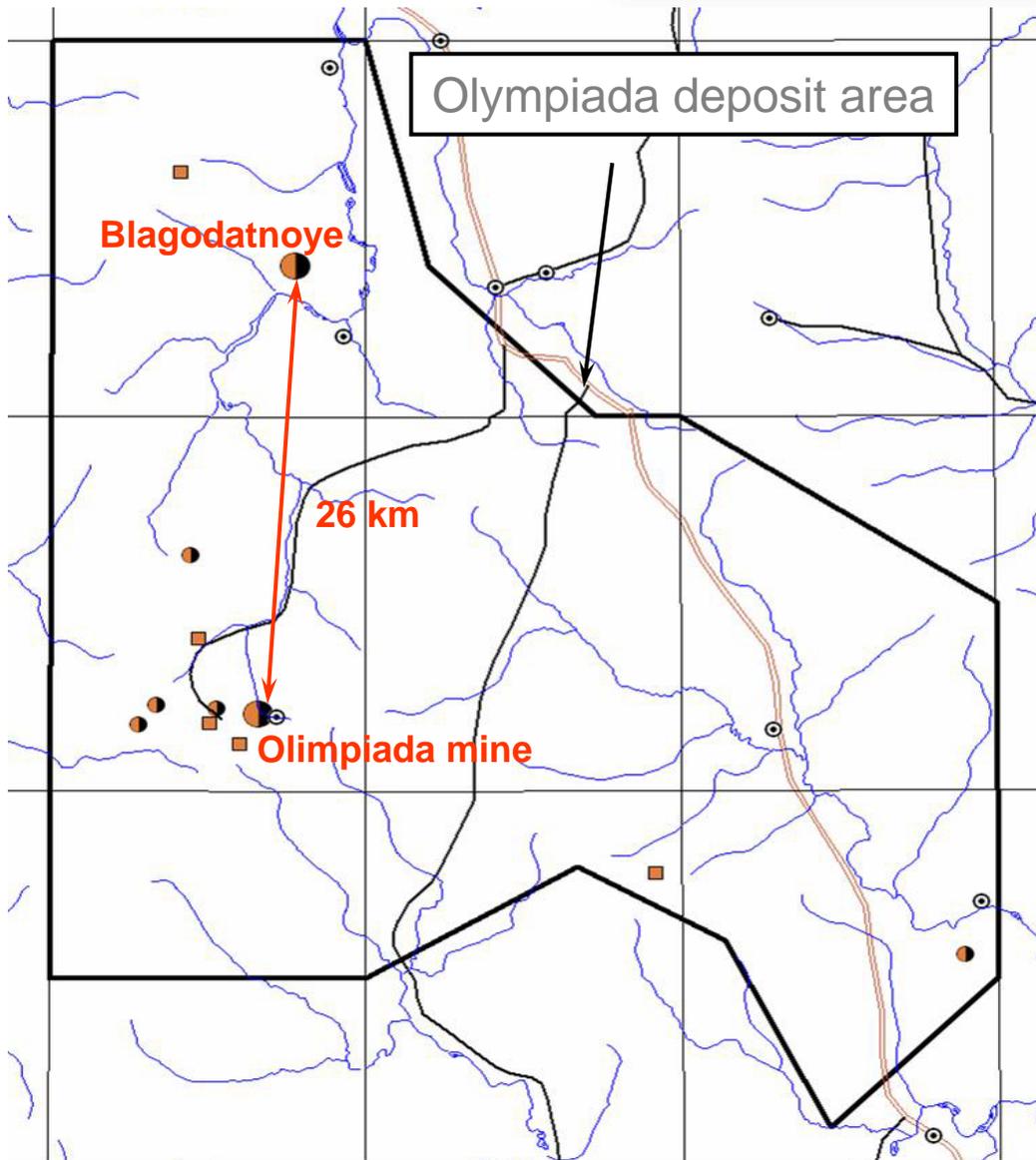
✓ JORC resources exceed 51.1 mln oz

	Indicated		Inferred		Indicated & Inferred resources ¹ , k oz
	Grade, g/t	Gold, k oz	Grade, g/t	Gold, k oz	
Blagodatnoe	2.5	4 400	2.2	6 000	10 400
Chertovo Korito	2.4	1 000	2.2	1 000	2 000
Natalka	1.5	16 800	1.4	13 500	30 300
Olimpiada	3.5	1 900	3.2	3 400	5 300
Titimughta	-	-	4.3	1 300	1 300
Verninskoe	1.0	500	2.9	1 000	1 500
Zapadnoe	3.0	200	3.3	100	300
Total		24 800		26 300	51 100

¹ Resources are exclusive of reserves



BLAGODATNOYE: BREAKTHROUGH DISCOVERY IN KRASNOYARSK



✓ Balance reserves in pit outline (Russian B+C1+C2) **7.15 mln oz** at average grade **2.4 g/t**

✓ Cost of resources explored - \$0.8 per oz (well below the world average \$13.8 per oz)

✓ The largest exploration project in Russia in 10 years confirmed by the state



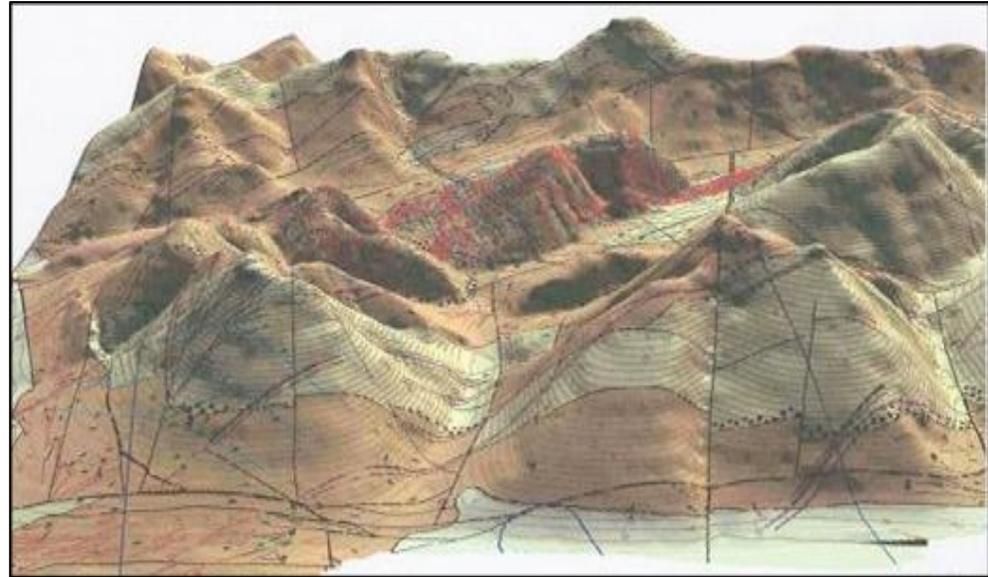
BLAGODATNOYE: PRODUCTION ESTIMATES

Annual Mill Project Capacity	5 mln. tons of ore
Gold Recovery	89%
Annual Gold Production	328 k oz
Total Cash Costs	\$270 per oz
Mine Life	20 years



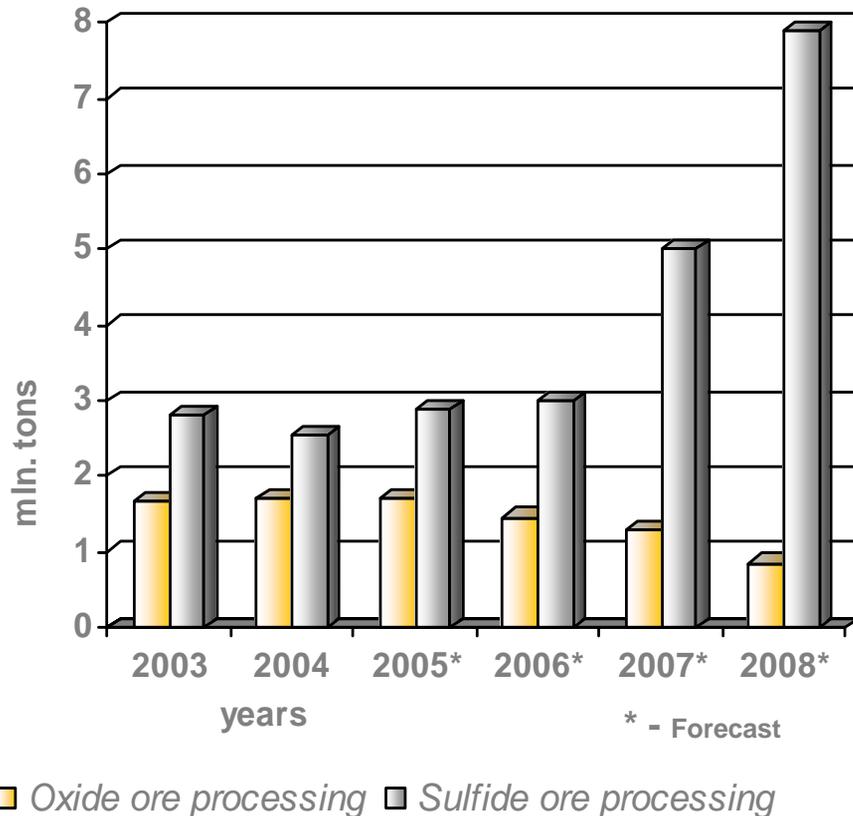
NATALKA: SUCCESSFUL UNDERGROUND DRILLING

- ✓ Discovered additional **18.51 mln. oz** of mineral resources below 600 meters at a grade of 1.59 g/m.
- ✓ Estimated total resources (Russian B+C1+C2) – **51.83 mln. oz.**
- ✓ Exploration cost for B+C1 reserves amounted to **\$2.5 per oz** (well below world's average)
- ✓ A new ore body **Vostotchnaya** identified



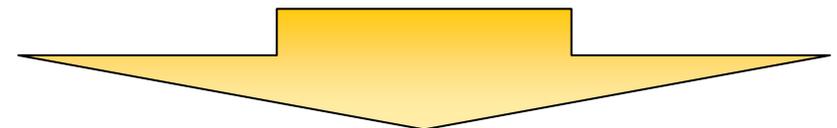
Production Development in 2005

Raising sulfide ore processing to increase gold production in spite of oxide ores depletion



✓ Construction on Mill-3 will increase sulfide ore processing from the current 3 mln. tons per year to 8 mln. tons in 2008

✓ Expansion of Vostochny and Zapadny pits to engage new stocks of sulfide ore



Organic growth from 800 k oz today to 870 k oz in 2008



OLIMPIADA: CONSTRUCTION OF MILL-3



- ✓ Mill capacity – 5 mln. tons of sulfide ore per year.
- ✓ Recovery rate – up to 88%
- ✓ Construction to be completed within 2 years
- ✓ Total investments - \$337 mln. (including VAT)

Effective M&A in 2005



YAKUTIA: NEW ASSETS

The ever largest acquisition in the Russian gold mining sector



- ✓ Completed on September 16, 2005.
- ✓ The total price of acquisition amounts to \$285 mln.
- ✓ Total mineral resources of the acquired assets – 28 135 k oz (comparable with of Sukhoi Log or Nataalka)
- ✓ International reserves audit to be done in 2006.



YAKUTIA: INVESTMENTS ESTIMATE

**Kuranakh
(production)**

*Preparation of the feasibility study
for the mine fleet modernization
and production facilities upgrade.*

\$165 mln.

**Nezhdaninskoe
(feasibility)**

*Preparation of a new feasibility
study (biooxidation technology to be
applied). Construction of the mill.*

\$200 mln.

**Kyutchus
(exploration)**

*Further exploration,
preparation of pre-feasibility
and then feasibility study.
Construction of the mill.*

\$150 mln.



LICENSES ACQUIRED IN 2005

In 2005 Polyus acquired through auctions **6 mining and exploration licenses**

Krasnoyarsk region	Razdolinskaya area Zyryanovskaya area
Irkutsk region	Mukodek area
Amur region	Bamskoe deposit, including Nevachansk prospective area
Magadan region	Degdekan area Vostochnaya (Tochinanskaya) area

Total reserves and resources amount to about **13.1 mln oz**

Spin-off from NN: Unlocking Shareholders' Value

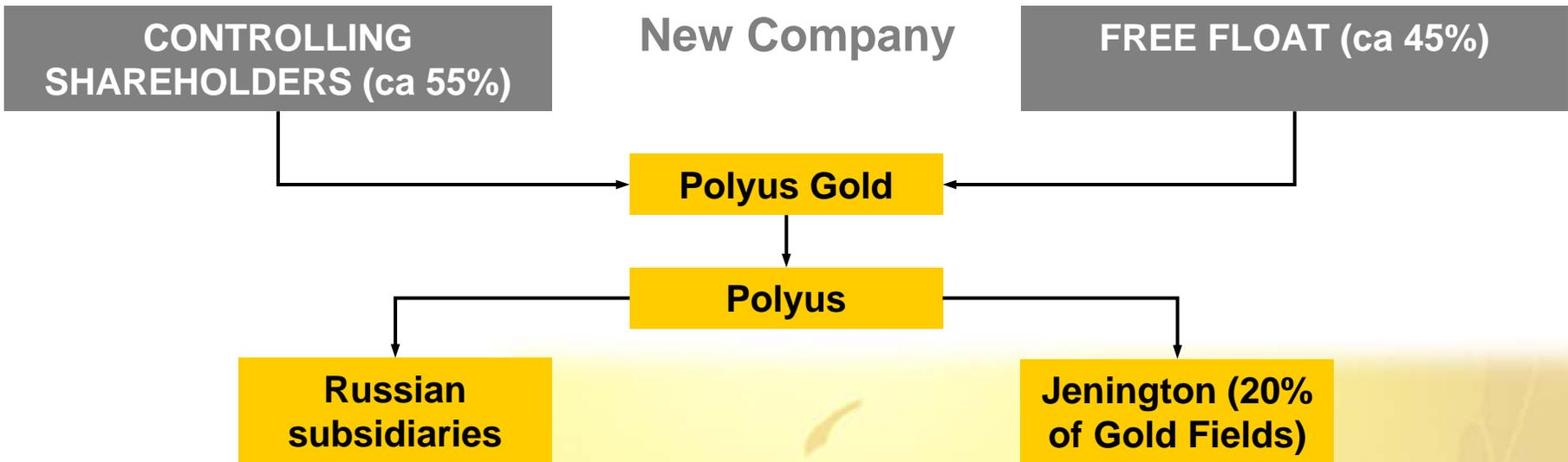
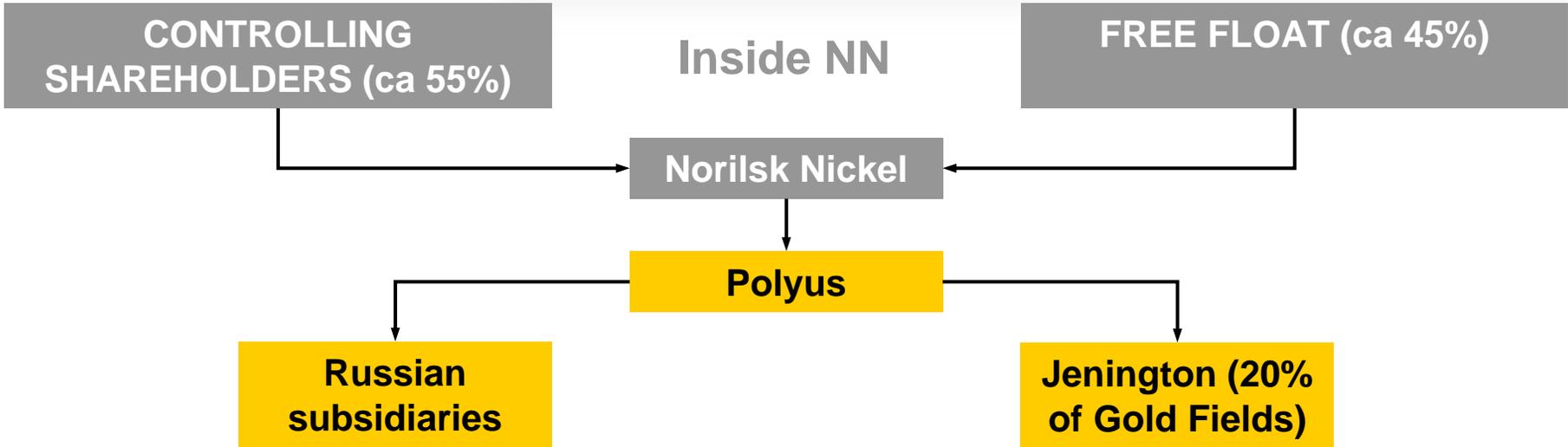


INDEPENDENT COMPANY: ADVANTAGES

- ✓ Create a new gold major – undisputed Russian leader and one of the largest players in the international gold mining sector.
- ✓ Unlocking additional “gold” value for shareholders.
- ✓ Potential to increase the market value of the new company through:
 - High market premium for gold.
 - Direct investments into gold assets.
- ✓ Enhanced access to international capital markets.



OWNERSHIP STRUCTURE





KEY TRANSACTION DATES

- | | | |
|-------------------------------------|--|-------------------|
| <input checked="" type="checkbox"/> | Norilsk EGM unanimously voted for the spin-off of Polyus. | 30 September 2005 |
| <input type="checkbox"/> | Record date to receive Polyus Gold shares | 1 January 2006 |
| <input type="checkbox"/> | Organizational meeting of the new company - Polyus Gold | 3 March 2006 |
| <input type="checkbox"/> | State registration of Polyus Gold | March 2006 |
| <input type="checkbox"/> | Trading date for Polyus Gold shares | March-April 2006 |
| <input type="checkbox"/> | Listing of Polyus Gold in Russia | April 2006 |
| <input type="checkbox"/> | Level 1 ADR program set up | April-May 2006 |