



POLYMETAL

Analyst Presentation

June 2008





Cautionary statements

This presentation includes forward-looking statements. These forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe,” “expect,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “will,” “may,” “should” and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for products; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors.

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Russian Gold Industry





Perspectives of gold mining in Russia

ISSUE

POINT OF VIEW

▲ What is the future profile of gold production in Russia for the next 5 years?

▲ Stagnant at best, slight decline most likely

▲ Why gold production in Russia is not growing despite the abundance of gold resources?

▲ Existing operations closure/ production declines
▲ Quality of known resources is far from excellent
▲ With the exception of Kupol, no major deposit in construction stage yet

▲ When will the gold exploration boom translate into new mines?

▲ Not any time soon: companies prefer to explore and not to build

▲ What are the largest obstacles to gold production growth?

▲ Lack of grid power in the Far East
▲ Lack of gold mining-specific expertise and experience

▲ Will Russian gold industry consolidate?

▲ Unlikely as high-quality producing assets are rare and some developing assets' value is being destroyed by resource mismanagement



New gold mines of sub-optimal size are prone to severe underperformance

Mine	Owner	Start-up	Design production achieved	Reason for failure
Barun-Kholba	Polymetal	2001	35%	<ul style="list-style-type: none">▲ Ore body discontinuity▲ High underground dilution
Darasun	Uzhuralzoloto (bought from HGM in 2007)	2004	40%	<ul style="list-style-type: none">▲ High underground dilution▲ Low recovery from complex ore▲ Lower throughput due to design mistake
Aginskoe	KamGold	2006	70%	<ul style="list-style-type: none">▲ High underground dilution▲ Low underground ore mining productivity
Suzdal BIOx	Celtic	2004	50%	<ul style="list-style-type: none">▲ Low BIOx recovery
Vasilyevsky	Angara Mining	2006	50%	<ul style="list-style-type: none">▲ Lower-than-expected reserve grade
Tas-Yuryakh	Amur	2006	50%	<ul style="list-style-type: none">▲ Lower-than-expected reserve grade



Quality of major undeveloped deposits is close to marginal

Deposit	Owner	Tonnes* (Mt)	Au grade* (g/t)	Au* (Moz)	Type of mining	Refractory ore	Grid power
Natalka	Polyus	1,263	1.5	61.2	Open pit	No	Limited
Sukhoi Log	State	930.4**	2.1**	62.8**	Open pit	No	No
Blagodatnoe	Polyus	139.5	2.4	10.9	Open pit	Yes	No
Nezhdaninskoe	Polyus	71.4	5.5	12.7	Underground	Yes x 2	No
Maiskoe	HGM	21.9	10.4	7.3	Underground	Yes	No
Taseevskoe	HGM	30.0	3.5	3.4	Open pit	Yes	Yes
Pioneer	PHM	94.9	1.1	3.3	Open pit	No	Yes
Malomir	PHM	86.9	1.2	3.4	Open pit	Yes	Yes
Albazino	Polymetal	13.0	4.3	2.2	Open pit	Yes	No
Veduga	AGA/ Polymetal	16.2	5.3	2.8	Open pit	Yes	No

* M+I+I resource, according to the 2004 JORC Code

** According to Russian standards (only balance reserves)



Current state of affairs and the “Blue Sky” for Russian gold

AS IS

- ▲ Most participants are enthusiastic newcomers with limited experience and unrealistic expectations
- ▲ Most new operations are small-scale short-life projects built under “artel-like” mentality or with outright speculative purposes
- ▲ Overly optimistic expectations about implementation of complicated technologies in remote locations

NECESSARY FOR PRODUCTION INCREASE

- ▲ Most participants are gold-focused companies with extensive knowledge and experience
- ▲ World-class, large-scale, long-life
- ▲ Concentration of complex technologies in central locations with good infrastructure and labor availability



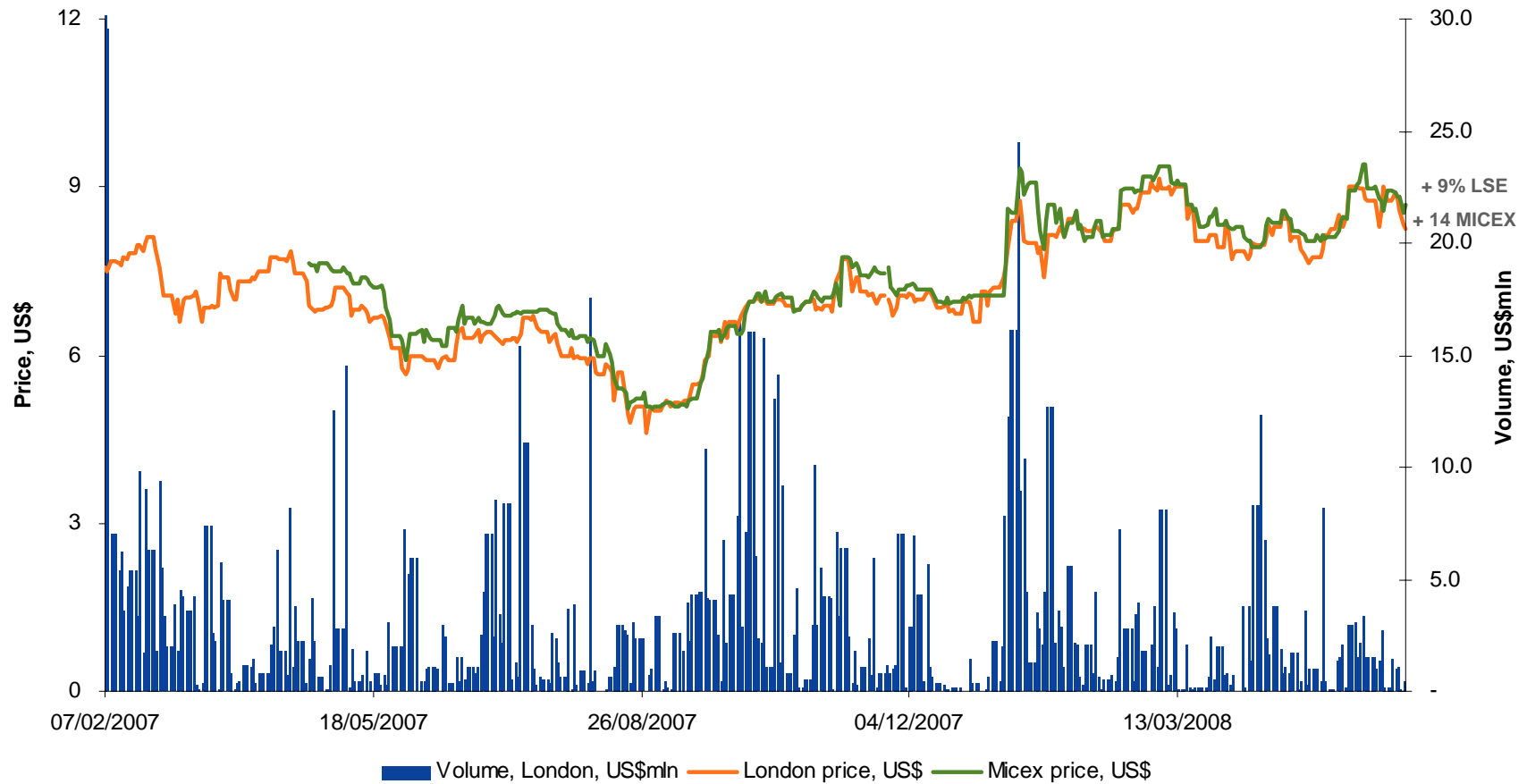
POLYMETAL

Polymetal Overview





Polymetal market performance since IPO

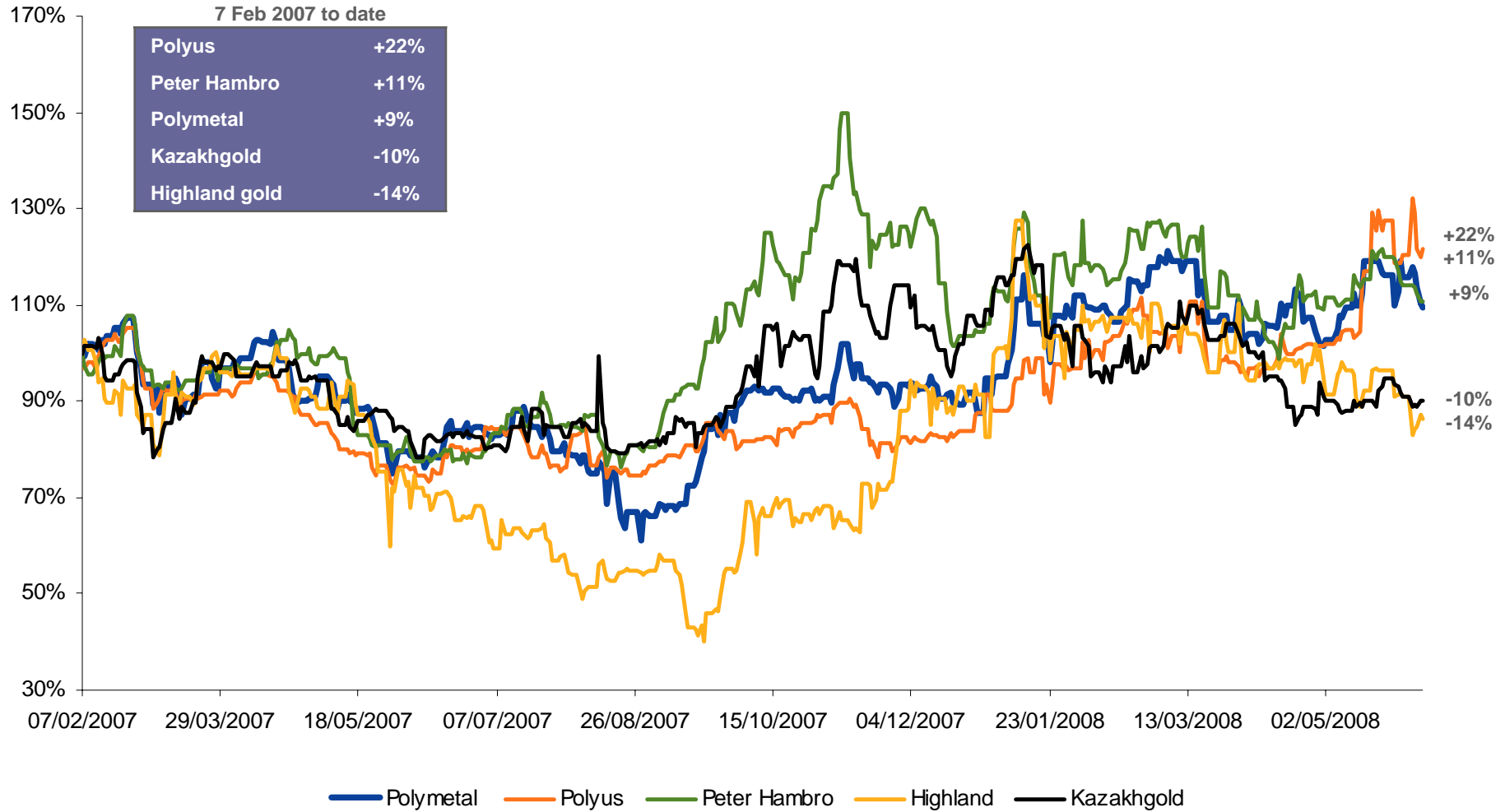




Polymetal vs. Metals & Mining stocks

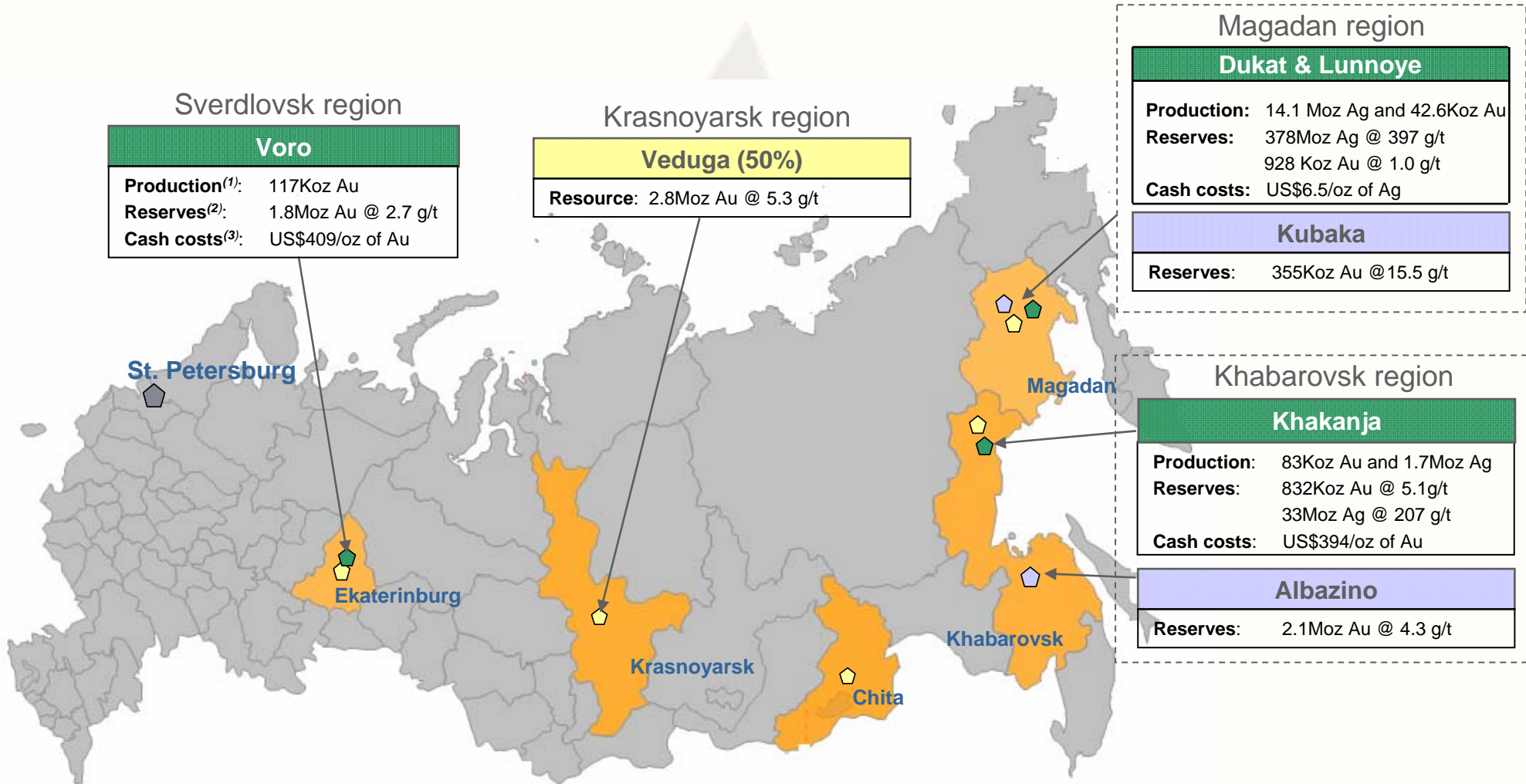
Performance since
7 Feb 2007 to date

Polyus	+22%
Peter Hambro	+11%
Polymetal	+9%
Kazakhgold	-10%
Highland gold	-14%





Polymetal owns a portfolio of long-life and high-grade mines



- Production
- Exploration
- Development

(1) Production numbers at all operations are given for 2007
 (2) Reserves numbers at all operations are: JORC compliant, as of 1 Jan, 2008
 (3) Cash costs at all operations: co product, 2007; Dukat and Lunnoye are calculated jointly



JORC Reserves & Resources

	Tonnage (kt)	Au grade (g/t)	Ag grade (g/t)	Au content (koz)	Ag content (koz)
Reserves					
Proved	44,584	2.2	204.3	3,097	292,910
Probable	11,182	1.4	336.3	511	120,910
Total P&P	55,766	2.0	230.8	3,608	413,820
Resources					
Measured	54,520	2.6	195.8	4,590	343,235
Indicated	24,506	2.3	197.5	1,781	155,641
Total M&I	79,026	2.5	196.4	6,371	498,876
Inferred	12,978	1.5	96.3	6,983	40,200
Total MI&I	92,004	2.3	182.2	6,983	539,076

Note: As of 1 Jan 2008. The Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves; Ore reserves are based on a Au price of \$600/oz, Ag—\$11.0/oz. Mineral resources are based on a Au price of \$700/oz, Ag—\$13.5/oz



Management Team

Senior Management Team Members



Vitaly N. Nesis
Chief Executive Officer
11 years in the industry



Vladimir T. Ryabukhin
Deputy CEO, Mineral Resources
37 years in the industry



Igor V. Venatovsky
Chief Operating Officer
36 years in the industry



Valery N. Tsyplakov
Vice President, Polymetal Engineering
Managing Director
14 years in the industry



Sergey A. Cherkashin
Chief Financial Officer
13 years in finance



Yuri Y. Malakh
Deputy CEO, Business Development
8 years in the industry

Mining Site Management



Victor N. Demeshik
Managing Director
Dukat& Lunnoye
24 years in the industry



Andrey V. Novikov
Managing Director
Voro
15 years in the industry



Gennady N. Kuzmenko
Managing Director
Khakandja
12 years in the industry



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Operational Overview

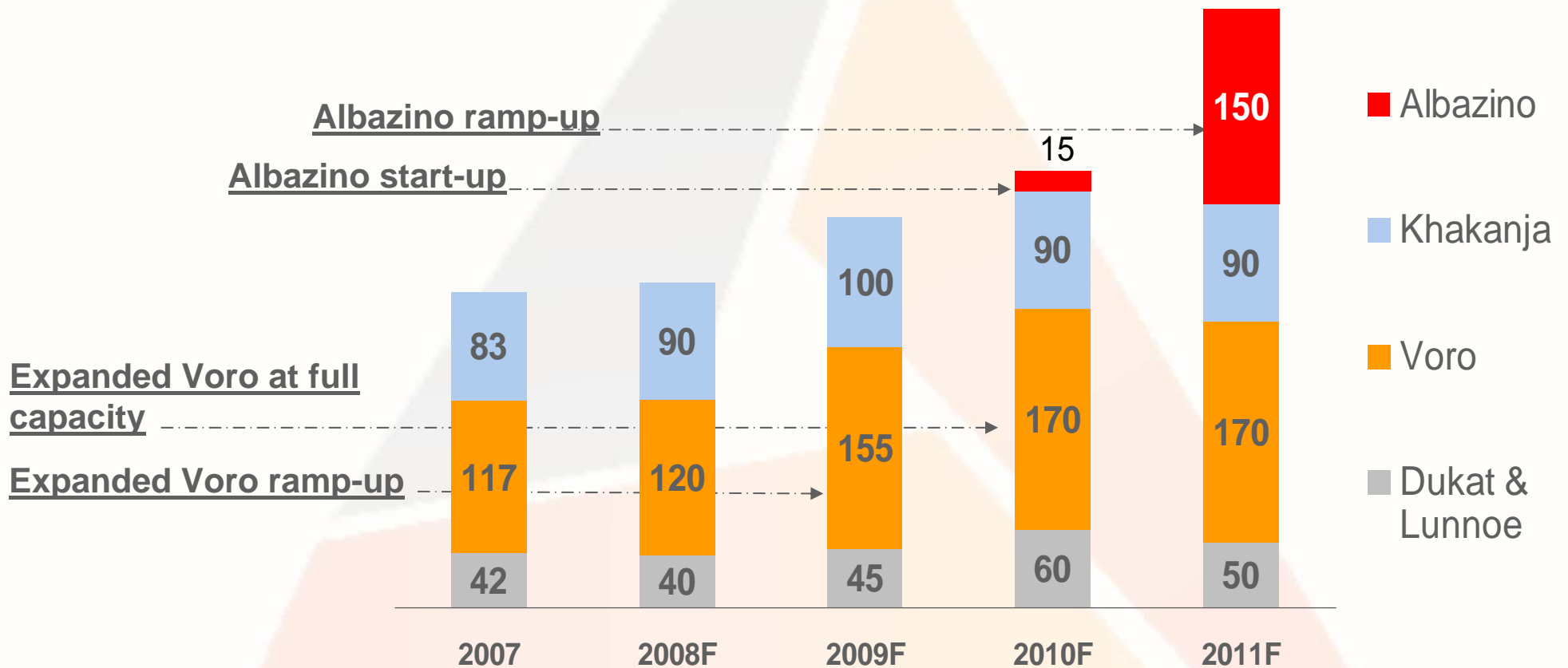




Gold production schedule*

Gold Production (Koz) – 90% Growth by 2011

2007	2008F	2009F	2010F	2011F
242	250	300	335	460

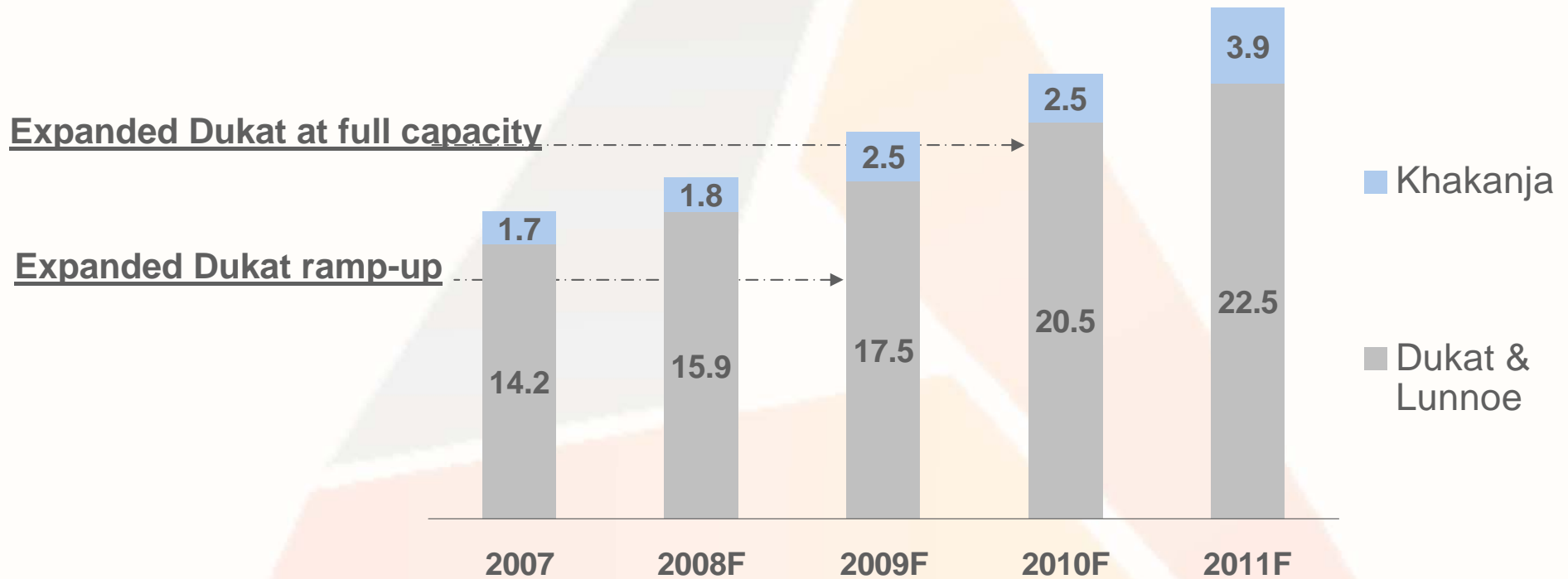




Silver production schedule

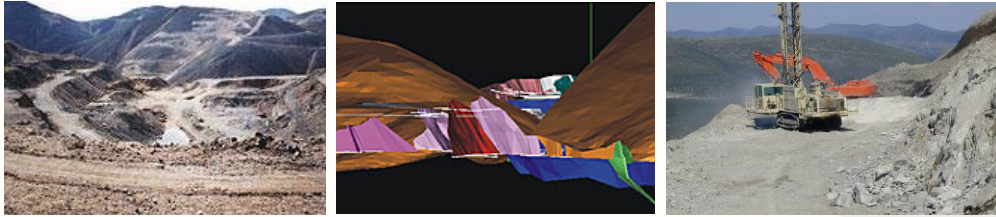
Silver Production (Moz) – 64% Growth by 2011

2007	2008F	2009F	2010F	2011F
15.9	17.7	20.0	21.5	26.0



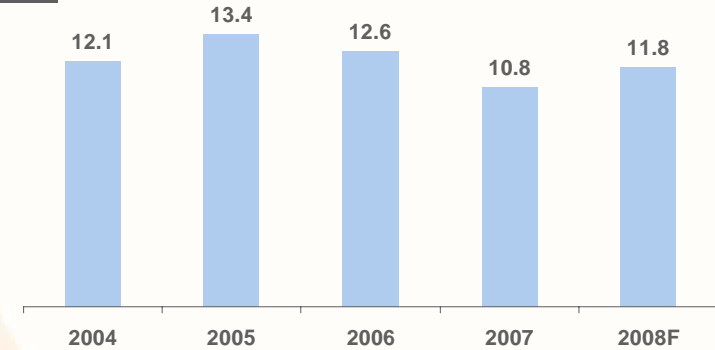


Dukat Overview

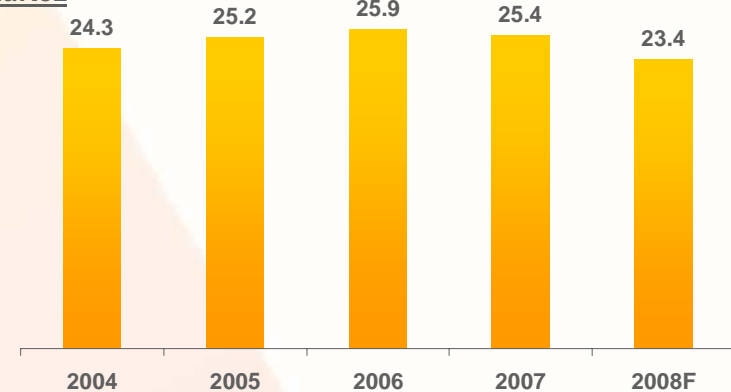


- ▲ World's 3rd largest silver producing mine
- ▲ Largest Russian silver deposit
 - ▲ 55% of Russian silver mine production
- ▲ Mine life of >20 years
 - ▲ 5 years open-pit (until 2011)
 - ▲ 20 years underground mining (until 2026)
- ▲ Licence until 2017
- ▲ 1,016 employees

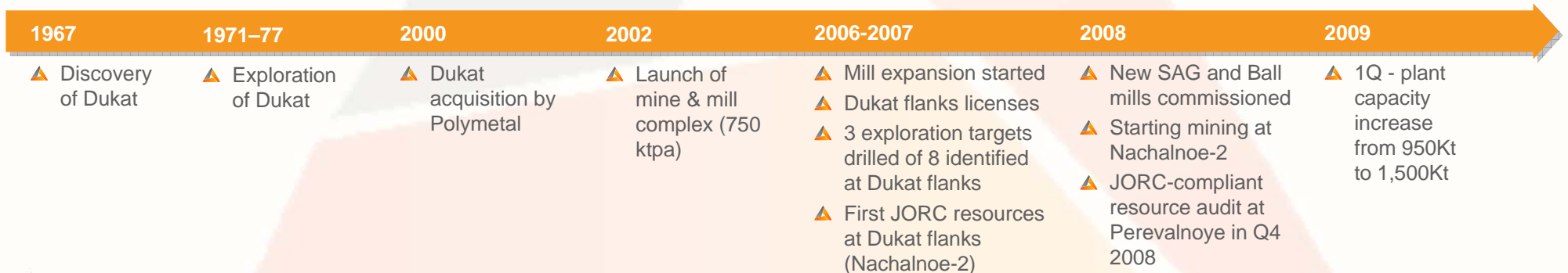
AgMoz



AuKoz



Timeline





Dukat – Operating Statistics

Reserves and Resources					
	Tonnage	Grade		Content	
	(Kt)	Au (g/t)	Ag (g/t)	Au (Koz)	Ag (Koz)
Reserves					
Proved	17,363	0.9	406.1	494	226,685
Probable	7,257	1.0	400.6	230	93,475
Total	24,620	0.9	404.5	724	320,160
Resources					
Measured	18,495	0.9	430.1	510	255,763
Indicated	7,337	1.0	442.8	235	104,460
Total	25,822	0.9	433.9	745	360,223
Inferred	17	1.0	424.0	1	235

Operating Statistics			
	2006	2007	2008F
Ore mined (Kt)	901	971	950
open-pit	415	381	380
underground	487	590	570
Ore processed (Kt)	863	881	950
Au head grade (g/t)	1.2	1.1	1.0
Ag head grade (g/t)	558	494	469
Recovery rate, Au (%)	80%	79%	81%
Recovery rate, Ag (%)	81%	79%	82%
Au produced (Koz)	25.9	25.4	23.4
Ag produced (Moz)	12.6	10.8	11.8

Notes: As of Jan 1, 2008 the Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves;
 Dukat cut-off grade 50 g/t Ag for o/p; 100 g/t Ag for u/g
 Ore reserves are based on a Au price of \$600/oz, Ag—\$11.0/oz
 Mineral resources are based on a Au price of \$700/oz, Ag—\$13.5/oz

KEY FACTS

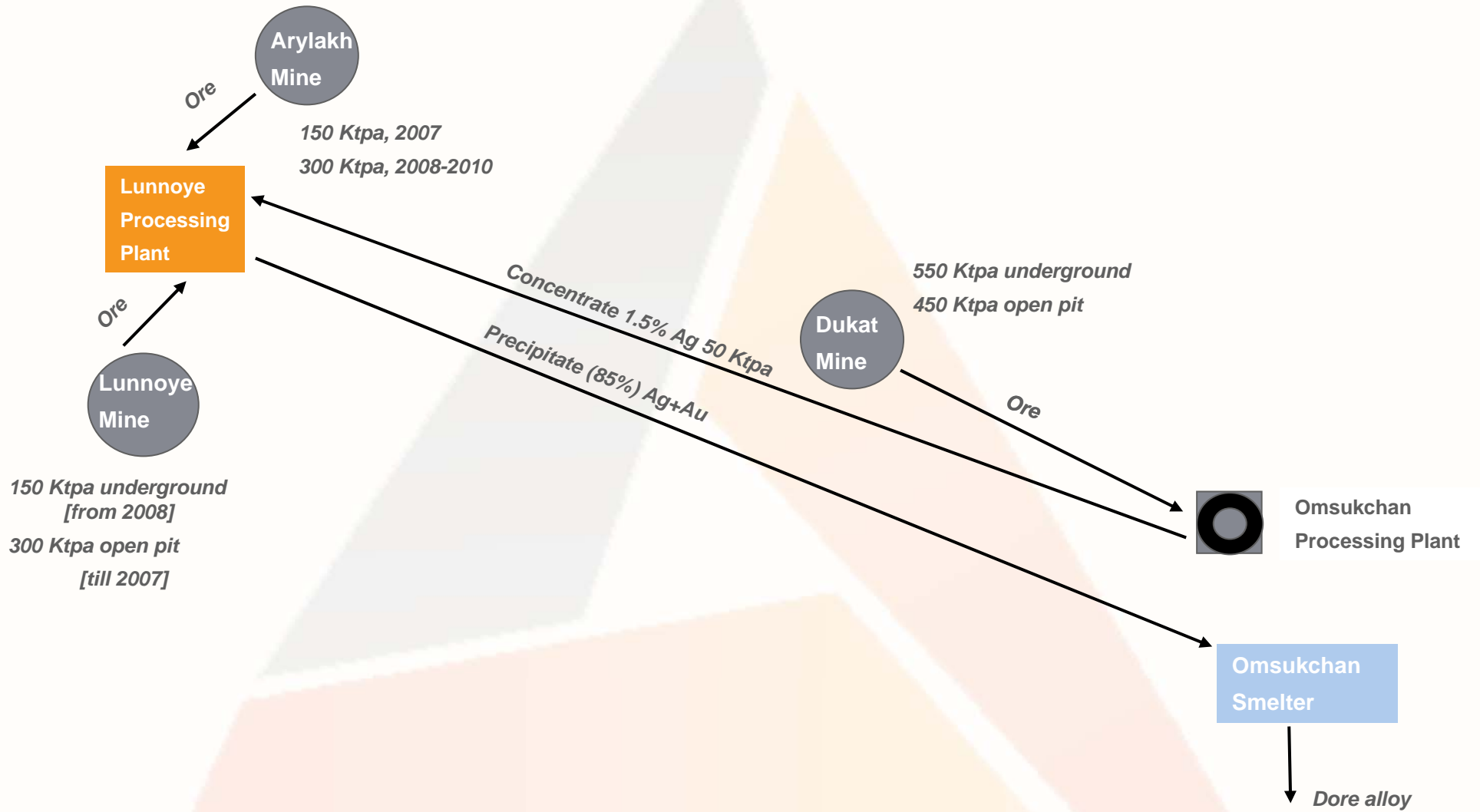
- ▲ **Geology**
 - ▲ 87 distinct ore veins and ore zones over 40 km²
 - ▲ Five largest ore zones display continuity over several hundreds metres and account for 85% of the reserves of the deposit
- ▲ **Mining**
 - ▲ Open pit and underground (sublevel open stoping)
- ▲ **Processing**
 - ▲ Conventional sulphide flotation technology to produce mixed sulphide concentrate
 - ▲ Concentrate processed into precipitate at Lunnoye
 - ▲ Expansion plan – started to increase processing capacity to 1.5 Mtpa (a 58% increase)
- ▲ Power supplied from the state-owned grid and powerlines

RECENT DEVELOPMENTS

- ▲ Accelerated development of underground mine in order to increase productivity to 900Ktpa (railway haulage to be commissioned in 2008)
- ▲ Planned grade decrease due to reducing cut off grade (in response to higher silver price)
- ▲ Throughput increase achieved thanks to processing plant automation and flash flotation section reaching its design capacity
- ▲ SAG mill was commissioned in May 2008
- ▲ Ball mill to be commissioned in June 2008
- ▲ Mining at Nachalnoe-2 to start in Q4 2008 (JORC-compliant resources: 430Kt at 339 g/t for 4.7Moz of silver)
- ▲ Drilling results at Perevalnoe are positive

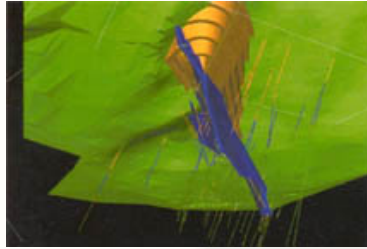


Dukat/Lunnoe flowchart

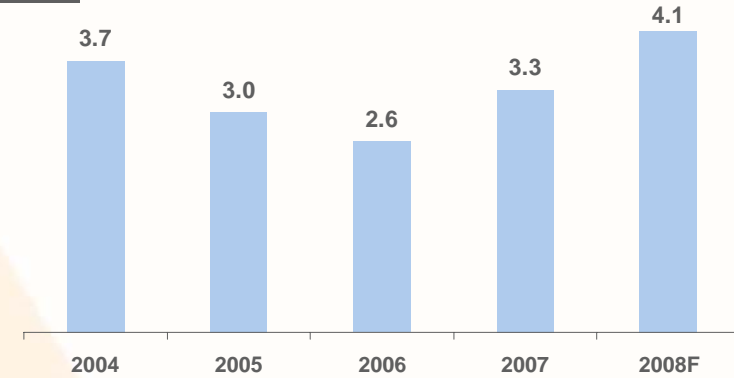




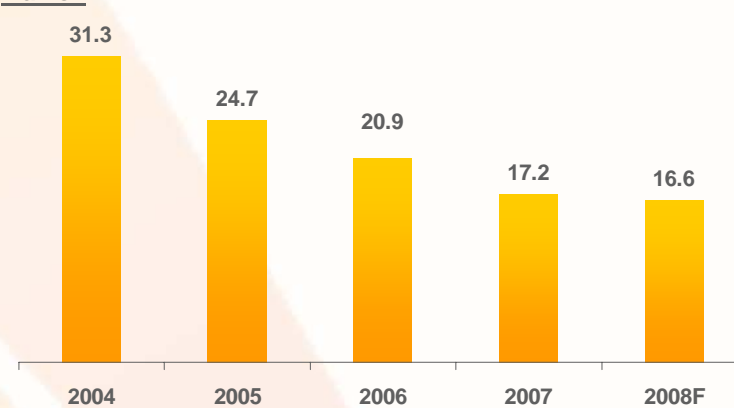
Lunnoye and Arylakh Overview



AgMoz



AuKoz



- ▲ World top-15 silver mine by production
- ▲ Lunnoye mine life
 - ▲ 15 years underground (till 2022)
- ▲ Arylakh, a satellite deposit, mine life
 - ▲ 7 years open pit (till 2014)
- ▲ Licence until 2016
- ▲ 817 employees

Milestones





Lunnoye and Arylakh – Operating Statistics

Reserves and Resources

	Tonnage	Grade		Content	
	(Kt)	Au (g/t)	Ag (g/t)	Au (Koz)	Ag (Koz)
Reserves					
Proved	3,322	1.5	335.9	155	35,872
Probable	1,645	0.9	411.9	49	21,775
Total	4,967	1.3	361.0	204	57,647
Resources					
Measured	4,477	1.7	355.7	244	50,871
Indicated	3,053	0.9	374.8	87	36,784
Total	7,236	1.4	376.8	331	87,655
Inferred	1,696	1.2	542.0	67	29,551

Operating Statistics

	2006	2007	2008F
Ore mined (Kt)	327	476	448
open-pit	327	467	367
underground	0	8	81
Ore processed (Kt)	283	286	300
Au head grade (g/t)	2.5	1.9	1.85
Ag head grade (g/t)	335	401	483
Recovery rate, Au (%)	93%	93%	93%
Recovery rate, Ag (%)	89%	88%	89%
Au produced (Koz)	20.9	17.2	16.6
Ag produced (Moz)	2.7	3.2	4.1

Notes: as of Jan 1, 2008. The Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves; Lunnoye grade 381.8-607.7 g/t Ag for underground, Arylakh 341.1 g/t open pit. Ore reserves are based on a Au price of \$600/oz, Ag—\$11.0/oz. Mineral resources are based on a Au price of \$700/oz, Ag—\$13.5/oz

KEY FACTS

- ▲ **Geology**
 - ▲ Lunnoye: 13 mineralised ore zones, with largest accounting for 85% of ore body reserves of silver sulphides and native free gold, with ore zone visually distinctive
 - ▲ Arylakh: multiple quartz veins up to 1.4 km in length and extending to a depth of 250m (ore body currently open at depth), silver mostly in free form
- ▲ **Mining**
 - ▲ Open pit and underground (at Lunnoye only, from 2008)
 - ▲ Mining to commence in 2007 at Arylakh
- ▲ **Processing**
 - ▲ Agitated-tank cyanide leaching and Merrill Crowe process
 - ▲ Concentrate from Dukat

RECENT DEVELOPMENTS

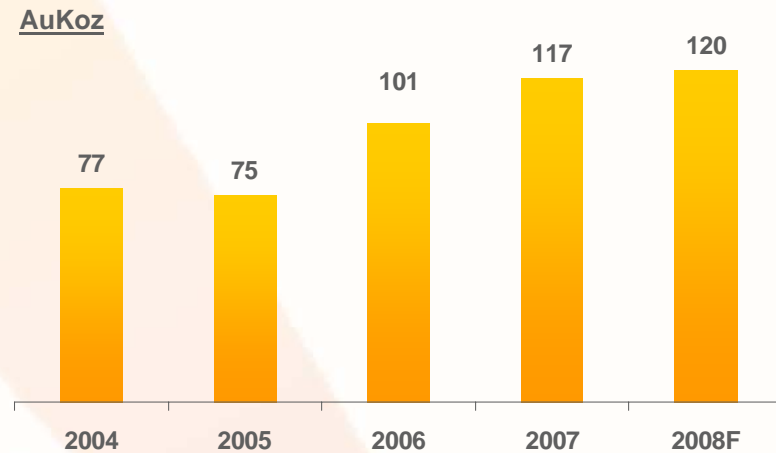
- ▲ Lunnoye pit depleted in 2007
- ▲ Lunnoye underground development continues with the goal to start full-scale underground mining of ore with silver grades above reserve average in Q3 2008
- ▲ Stockpiles provides feed to the plant
- ▲ More silver and less gold this year compared to 2007



Voro Overview



- ▲ Voro pit mine life
 - ▲ Mine life 12 years – open-pit
 - ▲ Oxidised ore until 2013, primary ore thereafter till 2020
- ▲ South Voro pit
 - ▲ Mine life 5 years – open-pit
 - ▲ Mainly oxidised ore
- ▲ Licence until 2018
- ▲ 936 employees



Milestones

1985	1998	1999	2000	2003	2004	2007	2008	2009
▲ Discovered	▲ Acquired by Polymetal	▲ Heap leach construction started (greenfield)	▲ Heap leach launched ▲ Mining started	▲ Construction of CIP plant started	▲ Launch of CIP plant (450 ktpa)	▲ CIP plant expansion started	▲ CIP expansion complete	▲ South Voro mining starts



Voro – Operating Statistics

Reserves & Resources					
	Tonnage	Grade		Content	
	(Kt)	Au (g/t)	Ag (g/t)	Au (Koz)	Ag (Koz)
Reserves					
Proved	19,570	2.7	3.7	1,729	2,303
Probable	1,574	2.4	3.5	119	177
Total	21,145	2.7	3.6	1,848	2,480
Resources					
Measured	19,541	2.9	3.9	1,805	2,427
Indicated	1,509	2.6	3.8	124	186
Total	21,049	2.9	3.9	1,929	2,613
Inferred	114	2.7	4.6	10	17

Operating Statistics				
	2006	2007	2008F	
Ore mined (Kt)	833	855	544	
oxidized (Kt)	832	220	184	
primary (Kt)	412	635	360	
Ore processed (kt)	1,245	1,360	1,450	
Heap leach	832	882	850	
CIP	413	478	600	
Au head grade, oxidized ore (g/t)	2.20	2.00	1.80	
Au head grade, primary ore (g/t)	5.90	6.33	5.42	
Recovery rate Au, oxidized ore (%)	70%	69%	70%	
Recovery rate Au, primary ore (%)	78%	80%	82%	
Au produced (Koz)	101	117	120	

Notes: as of 1 Jan, 2008. The Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves; Voro cut-off grade 1.17 g/t Au for oxidised ore 1.5 g/t Au for primary ore. Capacity, oxidized ore (Kta)—800—Capacity, primary ore (Kta)—600
 Ore reserves are based on a Au price of \$600/oz, Ag—\$11.0/oz
 Mineral resources are based on a Au price of \$700/oz, Ag—\$13.5.0/oz

KEY FACTS

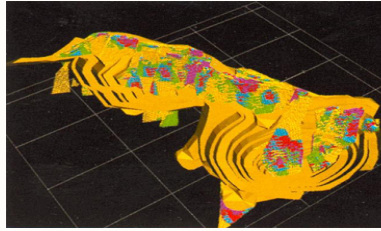
- ▲ **Geology**
 - ▲ Primary and oxidised ore, oxidised gold mostly in free form
- ▲ **Mining**
 - ▲ Open pit
- ▲ **Processing**
 - ▲ Primary ore: processed using carbon-in-pulp
 - ▲ Reconstruction and upgrades: capacity expected to increase to 940 ktpa
 - ▲ Oxidised ore: processed using heap leaching and Merrill Crowe process
- ▲ Electric power provided by state electricity supply via powerlines accessing the grid from nearby towns

RECENT DEVELOPMENTS

- ▲ SAG mill commissioned – throughout increased
- ▲ Leaching tanks will be delivered on site and mounted in Q3 2008; filter-presses produced by a German firm Andritz will be commissioned in Q4 2008
- ▲ Heap leach: stacking ore from lower grade stockpiles
- ▲ South Voro to provide high grade oxidized ore starting from 2009

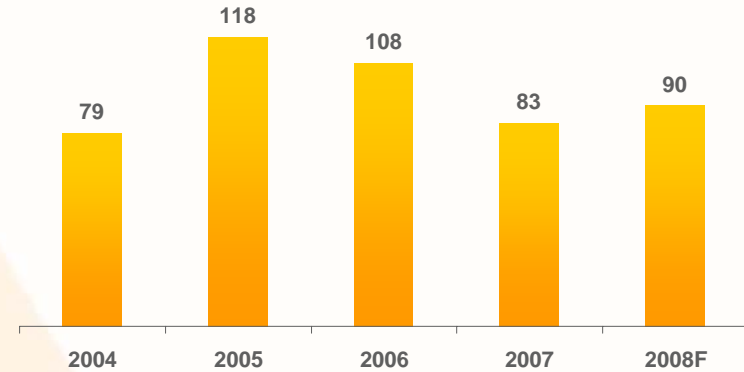


Khakanja and Yurievskoye

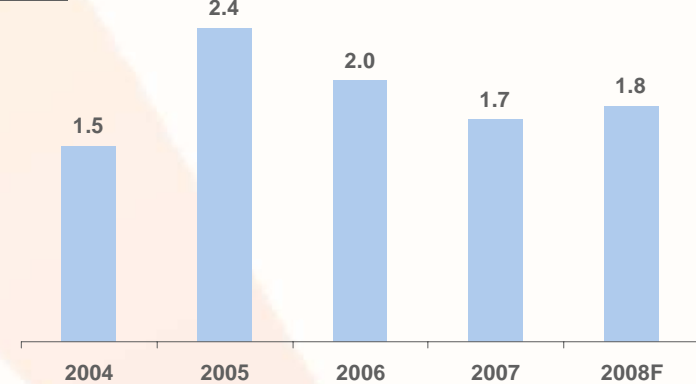


- ▲ Khakanja mine life
 - ▲ 7 years open pit, 6 years underground (from 2011)
- ▲ Yurievskoye, a satellite deposit, mine life
 - ▲ 3 years open pit till 2010
- ▲ Licenses for Khakanja and Yurievskoye until 2014
- ▲ 1,005 employees

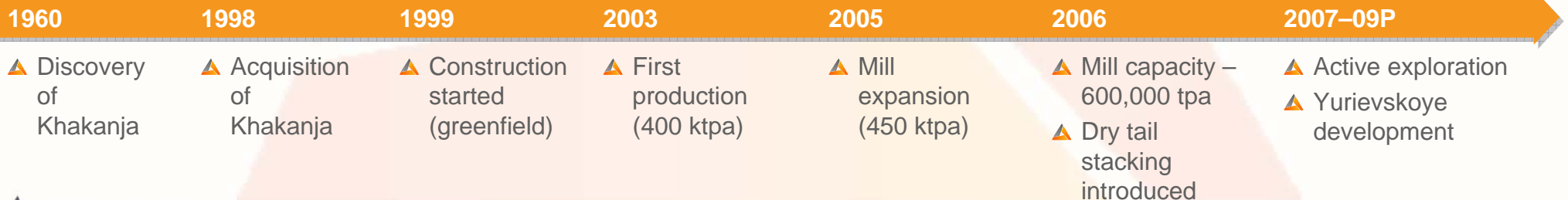
AuKoz



AgMoz



Milestones





Khakanja and Yurievskoye – Operating Statistics

Reserves and Resources					
	Tonnage	Grade		Content	
	(Kt)	Au (g/t)	Ag (g/t)	Au (Koz)	Ag (Koz)
Reserves					
Proved	4,329	5.2	201.5	719	28,051
Probable	706	5.0	241.6	113	5,483
Total	5,035	5.1	207.1	832	33,533
Resources					
Measured	4,462	4.0	213.8	804	30,670
Indicated	910	5.8	246.6	170	7,215
Total	5,372	4.3	219.4	1,096	37,885
Inferred	152	5.5	176.1	27	863
Operating Statistics					
	2006	2007	2008F		
Ore mined (Kt)	563	727	568		
Ore processed (Kt)	500	609	600		
Au head grade (g/t)	7.0	4.5	5.0		
Ag head grade (g/t)	259	117	180		
Recovery rate Au, (%)	92%	94%	93%		
Recovery rate Ag, (%)	47%	49%	49%		
Au produced (Koz)	107	83	90		
Ag produced (Moz)	2.0	1.7	1.8		

Notes: As of Jan 1, 2008 the Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves; Khakanja cut-off grade 3.56–4.06 g/t Au eq and 5.75 g/t for u/g.; Yurievskoye cut-off grade 4.49 g/t Au eq. Ore reserves are based on a Au price of \$600/oz, Ag—\$11.0/oz. Mineral resources are based on a Au price of \$700/oz, Ag—\$13.5/oz.

KEY FACTS

- ▲ **Mining**
 - ▲ At Khakanja, open pit - until 2013 and underground starting from 2011
 - ▲ Open-pit at Yurievskoye from 2013
- ▲ **Geology**
 - ▲ Khakanja: three distinct ore zones, gold contained mostly free and fine-grained, silver contained mostly in sulphide form
 - ▲ Yurievskoye: single ore body, gold is free milling and relatively fine grained
- ▲ **Processing**
 - ▲ Agitated-tank cyanide leaching and Merrill Crowe process
 - ▲ Produces zinc precipitate which is transported to Krasnoyarsk refinery where it is toll-processed directly into commercial gold and silver bars
- ▲ Fly-in/fly-out staffing
- ▲ Electric power generated on-site using six diesel generators

RECENT DEVELOPMENTS

- ▲ 27 kt high grade Yurievskoe ore mined and carried to Khakanja in Q1
- ▲ Starting from the next season, outsourcing of all mining and haulage operations at Yurievskoe
- ▲ Comminution and reagent sections will be fully automated in 2008, and classification and thickening sections — in 1H 2009



POLYMETAL

Growth Strategy





Growth strategy overview

Commitments delivering on our strategy

- ▲ Maintain profitability of existing operations (EBITDA margin not less than 50%)
- ▲ Execute growth projects
- ▲ Focused exploration aimed at organic reserves & resource growth

Growth projects

- ▲ Dukat processing plant expansion
- ▲ Voro processing plant expansion
- ▲ Albazino-Amursk project
- ▲ Kubaka

Exploration

- ▲ Expanding existing mines: Dukat flanks, South Voro
- ▲ Exploration JV with AngloGold Ashanti
- ▲ Regional campaigns: Sverdlovsk, Magadan, Khabarovks regions

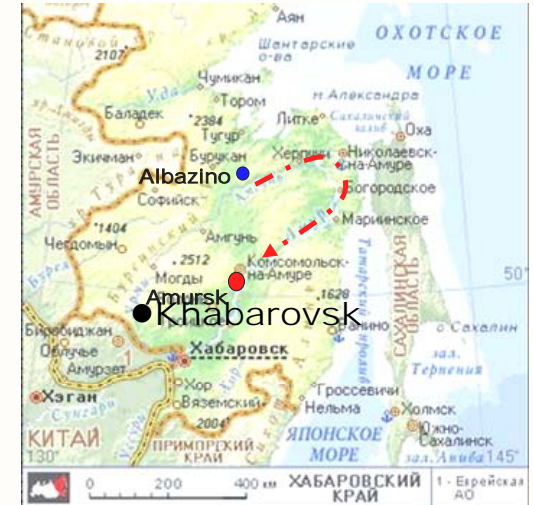
Acquisitions

- ▲ Targeting acquisitions with exploration potential in strategic regions



Albazino project

- Location**
 - ▲ Khabarovsk region, Russian Far East
 - ▲ 571 km of Amursk
- Capital expenditures**
 - ▲ US\$219 mn (VAT excluding)
- Construction**
 - ▲ 2008-2010
- Life of mine**
 - ▲ 12 years (license until 2015)
- Mining**
 - ▲ Open pit mining: refractory ore
- Processing**
 - ▲ 2-stage: flotation concentrator (1.5 Mtpa), pressure oxidation (0.15 Mtpa)



Project timeline	2008						2009				2010			
	June	July	Aug	Sept	Nov	Dec	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
▲ Approval by the Board	✓													
▲ GKZ certification						✓								
▲ Resource update						✓				✓				✓
▲ Completion of permitting							✓							
▲ Key equipment purchasing	Flotation, mining fleet			Autoclave										
▲ Mine/Concentrator construction														
▲ POX plant construction														



Albazino reserve & resource is sufficient to justify beginning of construction

AS of 1 June 2008	Tonnage (kt)	Au grade (g/t)	Au content (kg)	Au content (koz)
Reserves (1)				
Proved	7,471	4.94	36,819	1,184
Probable	7,581	3.75	28,356	912
Total proved & probable	15,052	4.33	65,175	2,096
Resources (2)				
Measured	6,255	5.91	36,947	1,188
Indicated	6,282	4.74	29,773	957
Total M&I	12,537	5.32	66,719	2,145
Inferred	676	3.73	2,517	81
Total MI&I	13,213	5.24	69,236	2,226

(1) calculated in accordance with the 2004 JORC Code using gold price of US\$600/oz and a cut-off grade of 1.25 g/t)

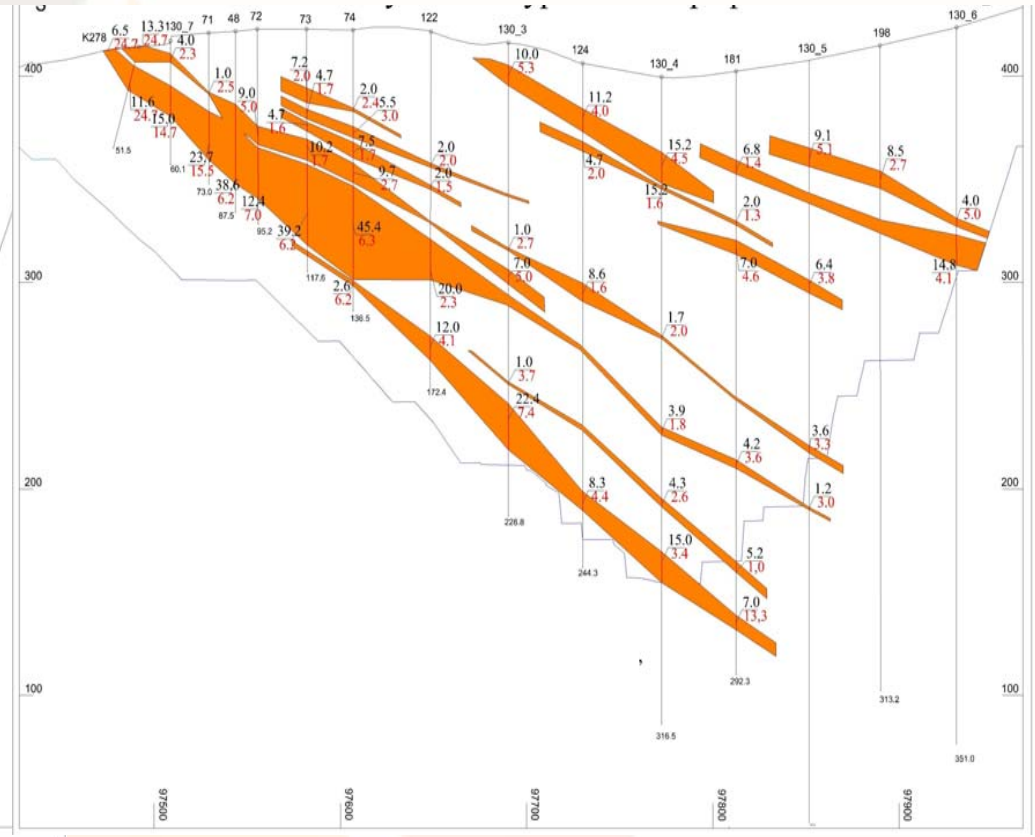
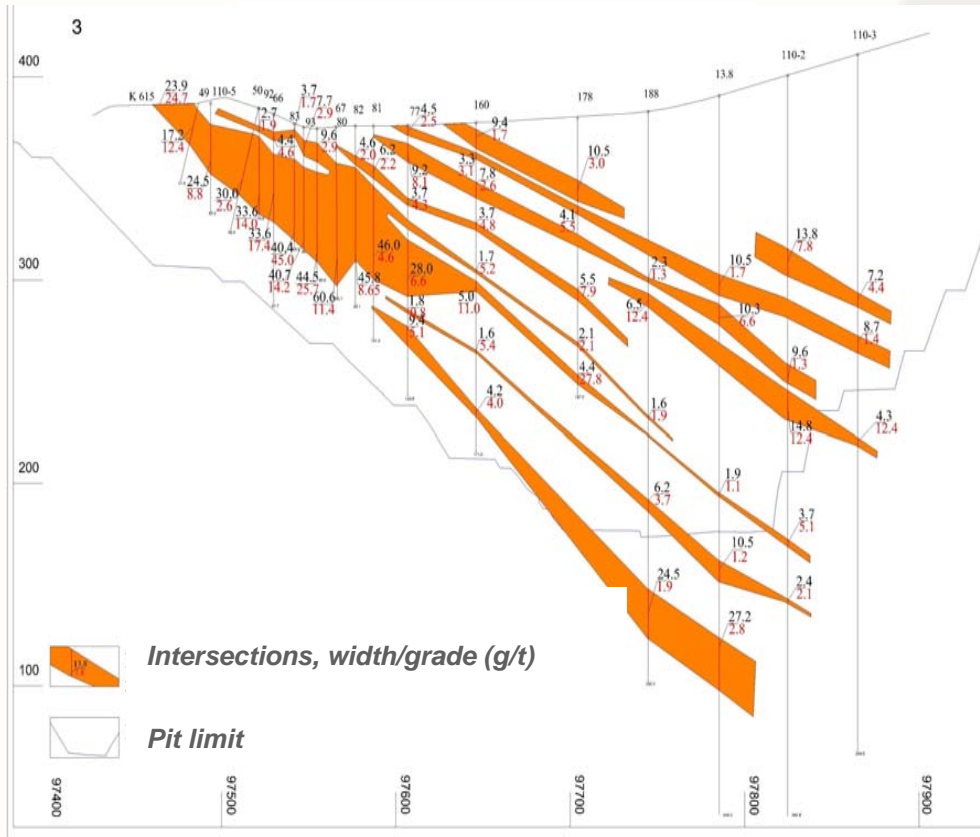
(2) calculated in accordance with the 2004 JORC Code using gold price of US\$700 and a cut-off grade of 2.0 g/t)



Albazino selected cross sections

Cross section 110

Cross section 130



Albazino: production timeline

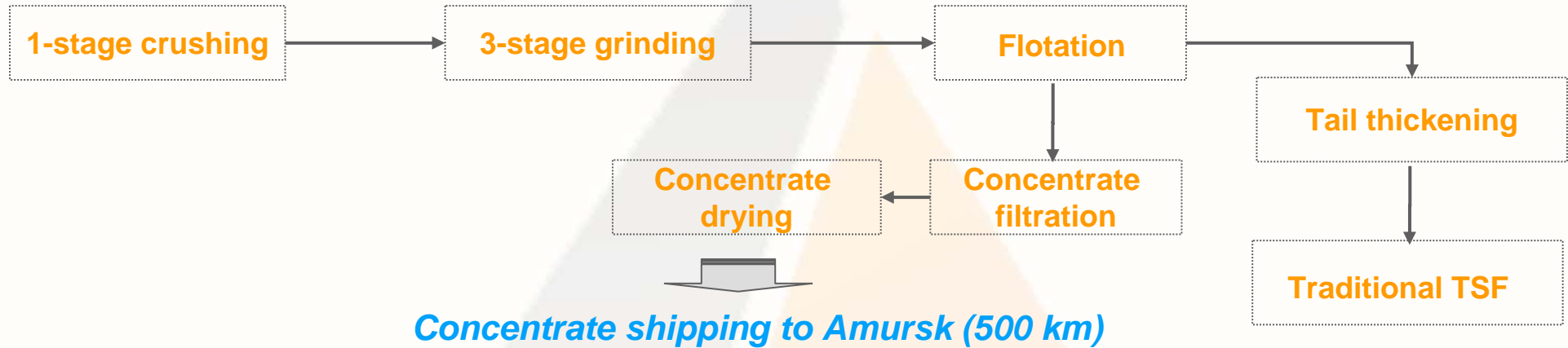
Mining	2010	2011	2012	2013	LOM average*
Ore mined (kt)	340	1,674	1,845	2,029	1,441
Waste mined	1,811	8,326	14,155	13,971	9,111
Total mined	2,151	10,000	16,000	16,000	10,552
Strip ratio	5.32	4.97	7.67	6.89	6.32
Flotation	2010	2011	2012	2013	LOM average*
Ore milled (Kt)	150	1,100	1,500	1,500	1,500
Au grade (g/t)	4.10	5.19	6.41	4.53	4.36
Recovery to concentrate	87.5%	87.5%	87.5%	87.5%	87.5%
Concentrate yield	10.0%	9.0%	7.5%	7.5%	7.5%
Pressure oxidation	2010	2011	2012	2013	LOM average*
Concentrate milled (kt)	15	99	113	113	113
Recovery to Dore	93%	94%	96%	96%	96%
Gold produced (koz)	16	151	259	183	171

* Excluding terminal years (2010,2021)

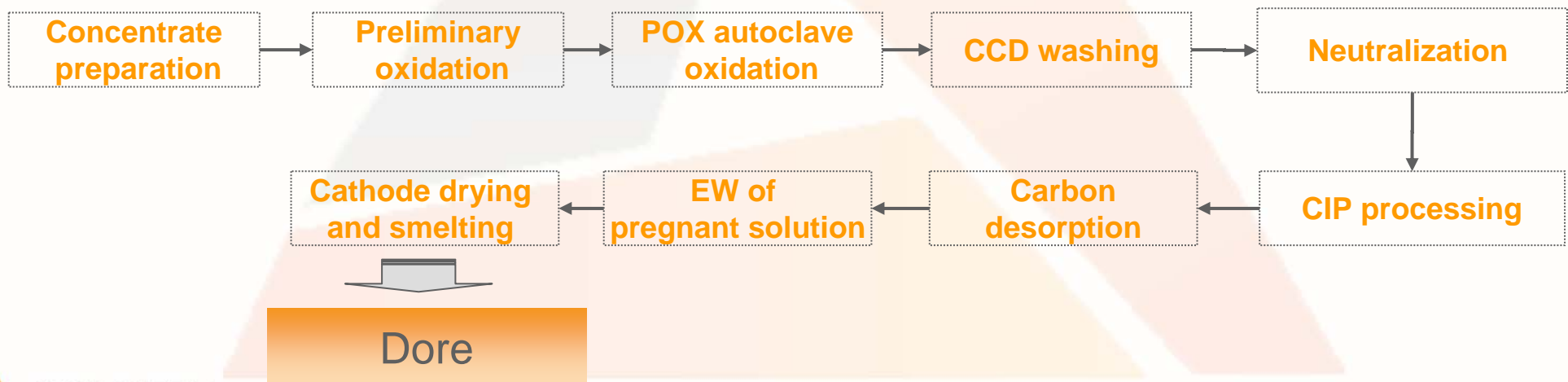


Albazino production flowsheet

Stage 1: Flotation concentrator in Albazino



Stage 2: Pressure oxidation facility in Amurks





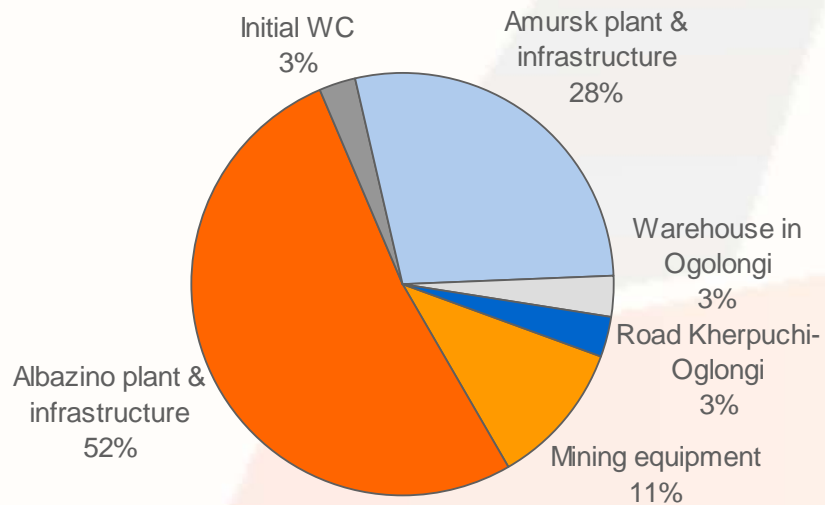
Albazino: operating and capital cost

Project capital expenditures	US\$m
Mining equipment, trucks & dozers	25
Albazino plant & infrastructure	117
Amursk plant & infrastructure	63
Warehouse in Ogolongi	7
Road Kherpuchi-Ogolongi	7
Total (excl. VAT)	219
Initial working capital (2010-2012)	6
Total (WC including)	225

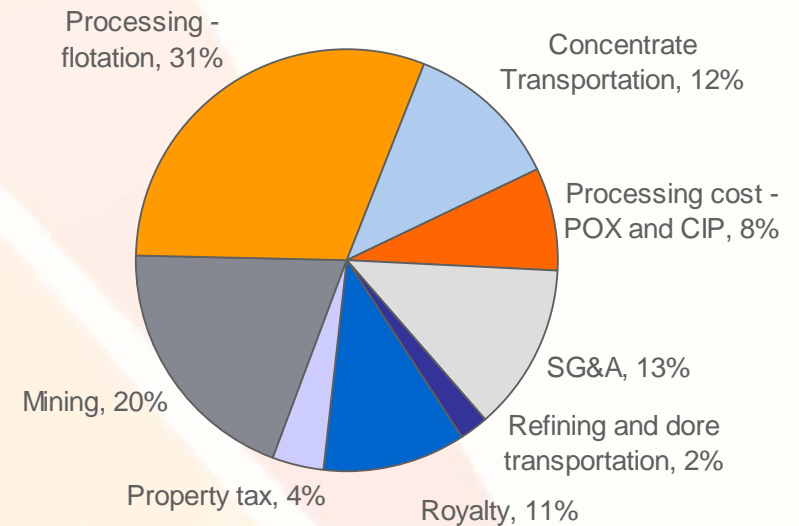
US\$/oz	2010	2011	2012	2013	LOM average*
Total cash cost	613	359	283	378	356
EBITDA margin	25%	54%	57%	42%	45%

Total cash cost = operating cash cost + royalty + property tax.

Capex structure



Estimated opex structure

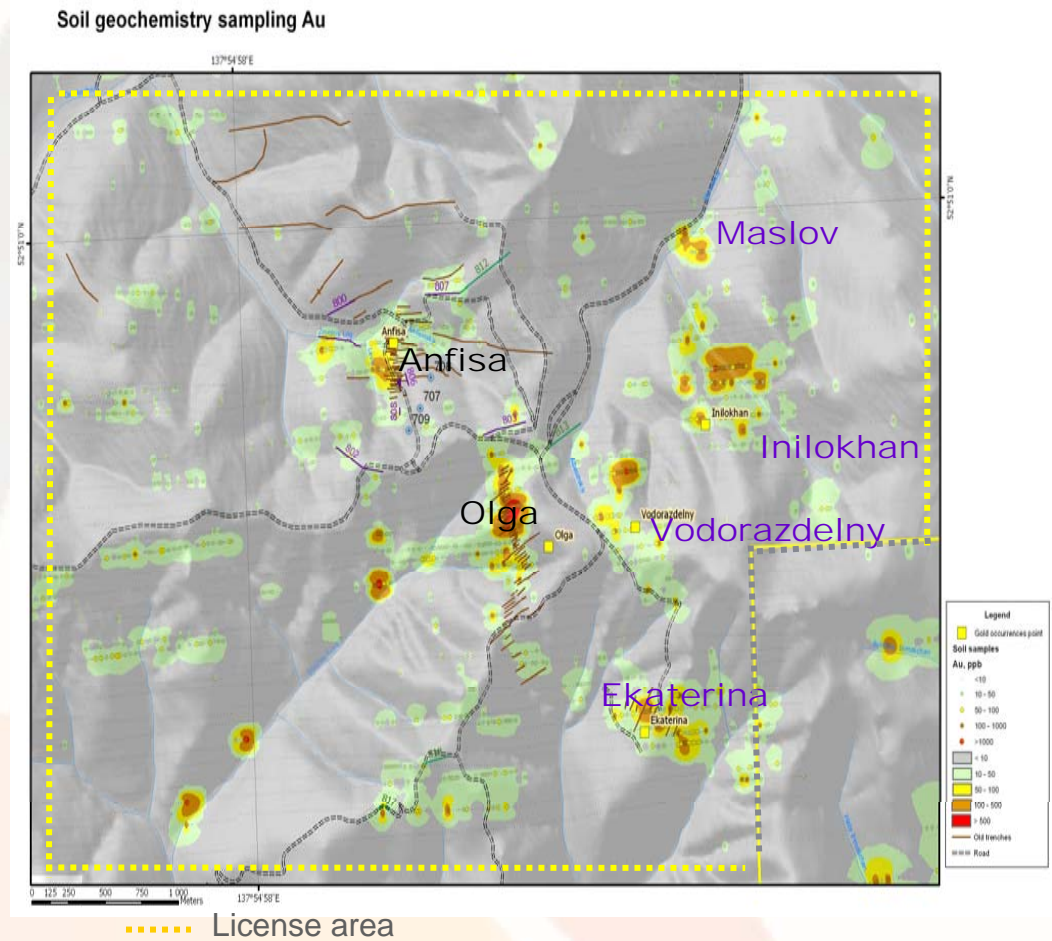




Growth opportunities: Albazino

Big license area with numerous under-explored occurrences

- ▲ Outstanding upside potential: only two of six ore bodies are explored
- ▲ Ore bodies generally open down-dip and sometimes along strike
- ▲ Drilling continues: 34,060m planned for 2008. 9,257m drilled in Q1 2008





Growth opportunities: Amursk

Strategic development options

- ▲ First mover's advantage potential: first gold POX facility in Russia capable of processing various refractory ore concentrates





Kubaka is an exciting development-stage asset in one of Polymetal's key regions

OVERVIEW

- ▲ Full mine infrastructure
- ▲ Processing plant (carbon-in-pulp) of 850 Ktpa capacity
- ▲ 4 mining licenses in the surrounding area

GOLD RESOURCE ESTIMATE

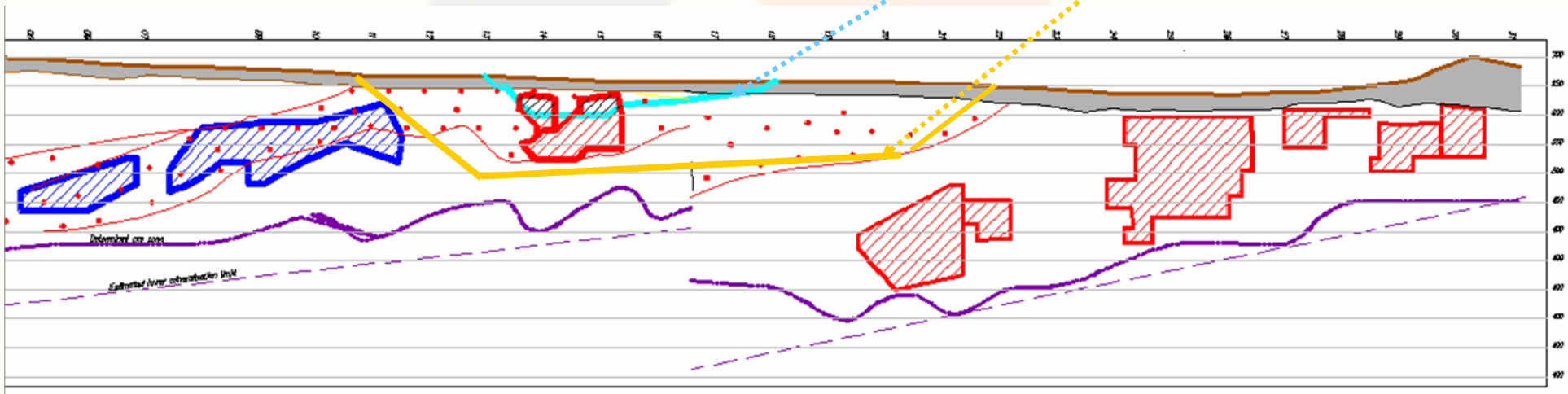
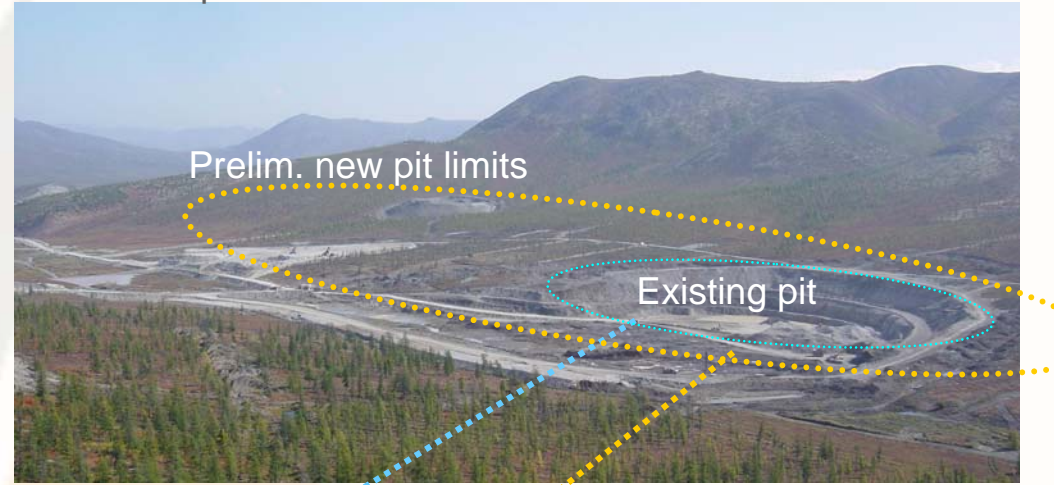
(JORC indicated, not confirmed by external audit)

- ▲ Birkachan high grade ore: 355Koz (711Kt @ 15.5 g/t)
- ▲ Birkachan low grade ore: 605Koz (7,458Kt @ 2.5 g/t)
- ▲ Oroch: 151Koz (809Kt @ 5.8 g/t)

DEVELOPMENT

- ▲ Heap leach testing is in progress
- ▲ Resource audit in compliance with the 2004 JORC code is planned for Q1 2009

Birkachan pit



- Determined limit of mineralization
- - - Estimated lower limit of mineralization
- ▨ High-grade ore bodies
- ▨ Low-grade ore bodies
- ⋯ Stockwork



Kubaka processing plant as a district processing hub

Advantages of existing processing capacity for development of new deposits:

▲ Time. It takes approximately

- 3 month to set up ore transportation scheme
- 4 years to build a new processing plant

▲ Money

- no additional CAPEX needed (KINROSS spent c. US\$200m on construction)

▲ Economies of scale

- consolidation of processing from small mines in the surrounding area





JV with AngloGold Ashanti

PROJECT PORTFOLIO

- ▲ Krasnoyarsk region: Bogunay, Veduga, Annenskoe, Sovremenny
- ▲ Chita region: Aprelovsko-Peshkovskoe

STATUS

- ▲ >US\$20M are allocated for existing and new projects
- ▲ Drilling programme underway: 3,375 meters of diamond drilling to validate the resource estimation parameters
- ▲ Optimising ore processing/capital expenditure (Polymetal Engineering) at Veduga



Veduga JORC Compliant Reserves and Resources as of Feb, 2008

	Tonnes	Au (g/t)	Au (kg)	Au (oz)
Oxidized ore				
Measured	488,145	5.27	2,575	82,773
Indicated	196,543	4.88	960	30,858
Inferred	153,011	3.85	589	18,930
Primary ore				
Measured	6,647,261	5.58	37,094	1,192,610
Indicated	4,324,087	5.38	23,263	747,920
Inferred	4,395,005	4.81	21,123	679,128
TOTAL	16,204,050	5.28	85,604	2,752,219

Strategic alliance

ANGLOGOLD

- Global outlook & experience
- Global exploration and project development expertise
- Use of world-class technologies (grassroots exploration)

POLYMETAL

- In-country knowledge & skills
- Successful developer of large mining projects in Russia
- In-house engineering team (Polymetal Engineering)



Why Polymetal?

- ▲ Highly qualified management and in-house engineering expertise
- ▲ Proven development and operational track record
- ▲ Long life assets with transparent reserve quality
- ▲ Unique and clearly defined strategy
- ▲ Robust project pipeline



POLYMETAL

Appendixes

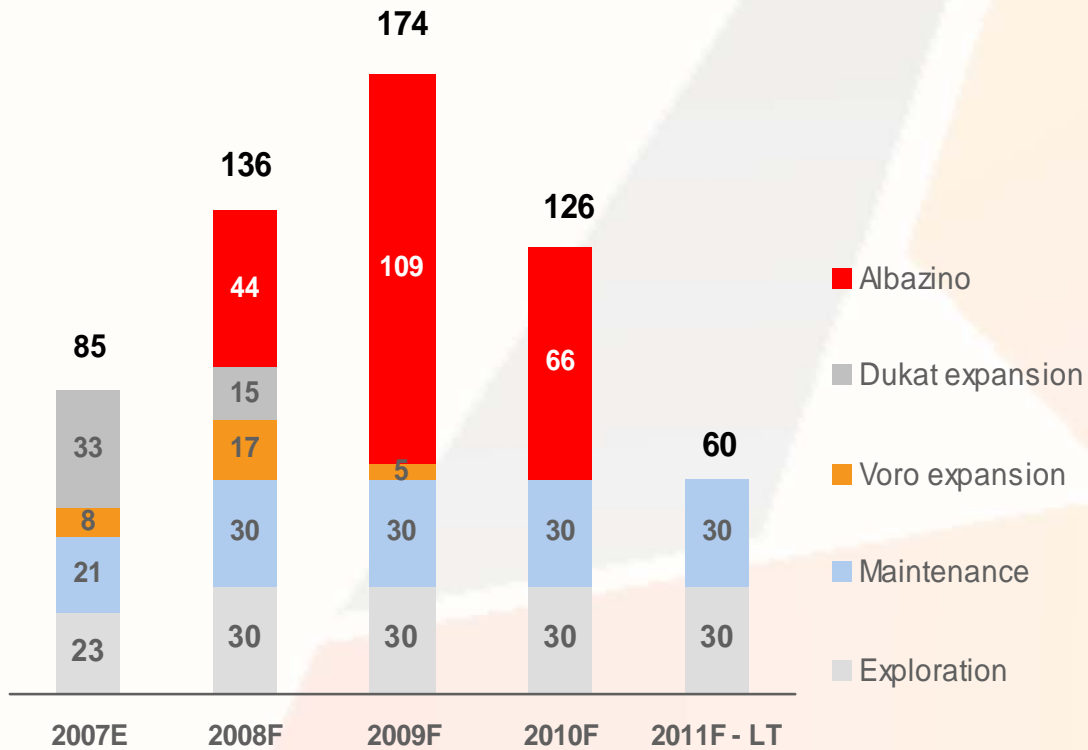




CAPEX schedule

▲ Capital intensive period as a result of exploration and growth projects

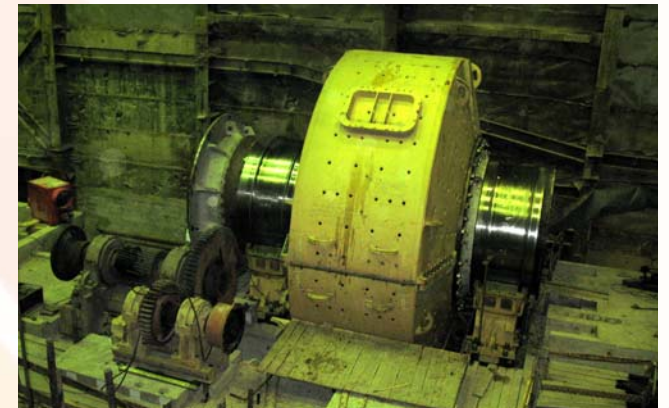
CAPEX (US\$m)



Road to Yurievskoe



SAG mill at Dukat

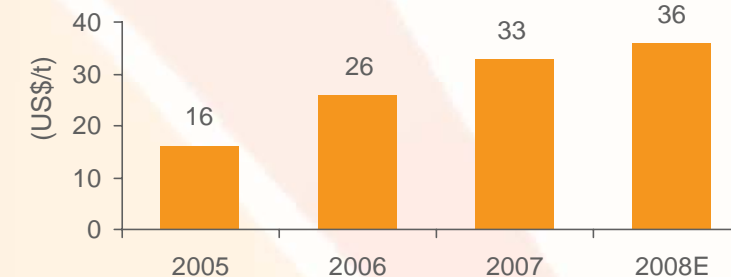
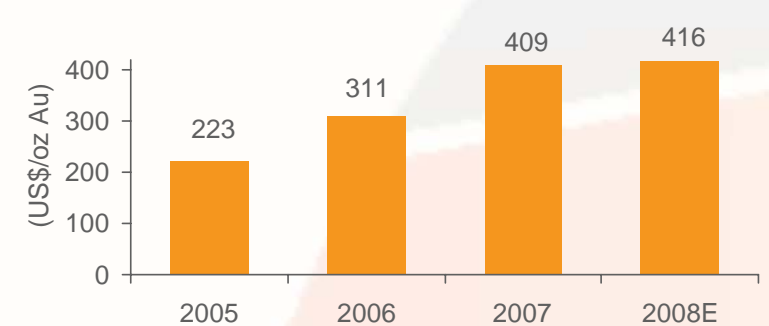
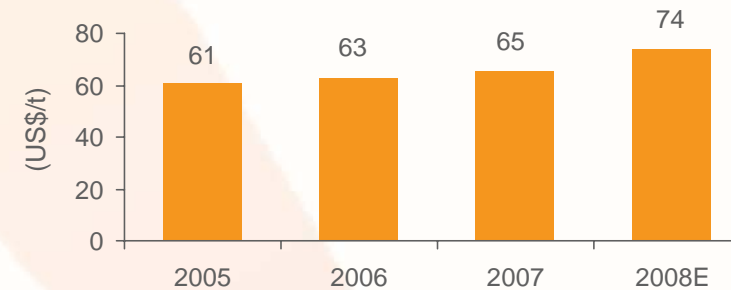
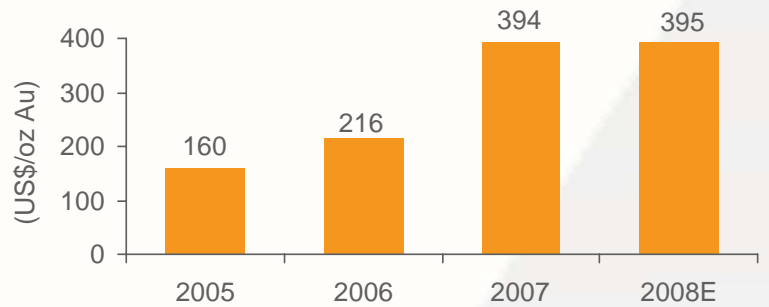
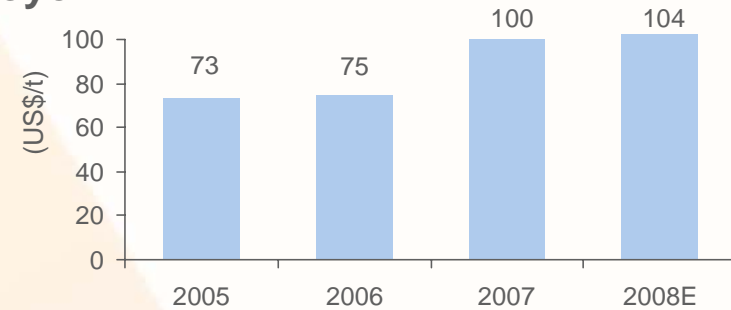
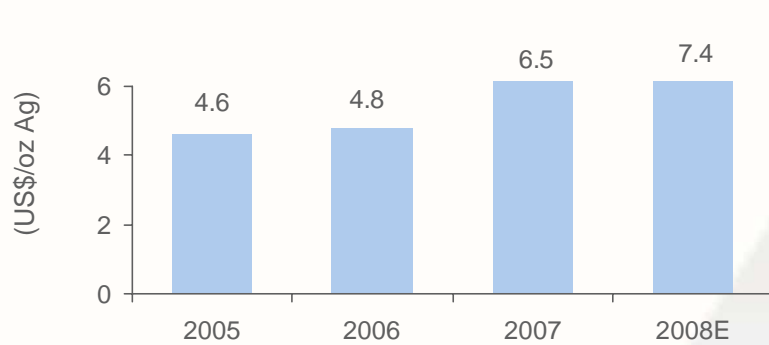




Cost structure and dynamics proves our ability to control unit costs in challenging environment

Total Cash Cost per ounce (co-product)

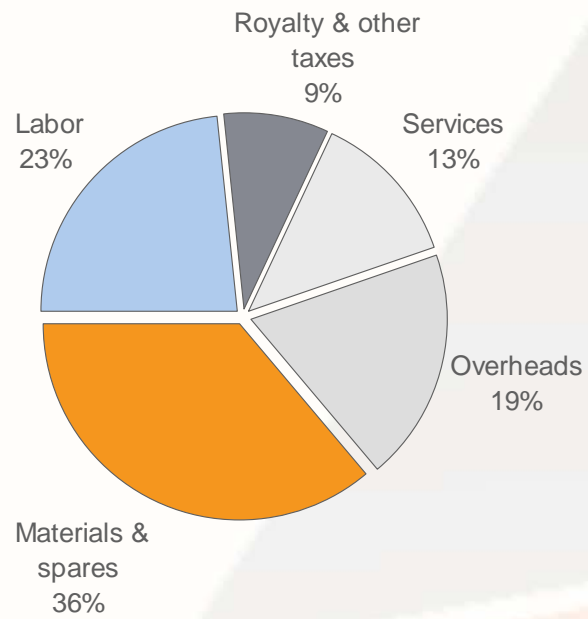
Total Cash Cost per tonne milled



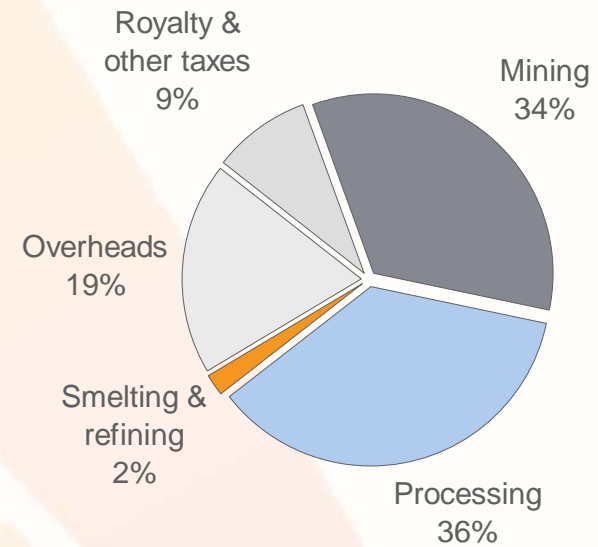


Operational cost structure

Cost structure by element, 2007



Cost structure by process, 2007





Balance Sheet and Debt Structure

Balance Sheet as of December 31, 2007*

(US\$m)

Assets

Cash and cash equivalents	8.7
Inventories	258.6
Other	109.0
Total current assets	376.3
Property, plant and equipment, net	438.4
Other	54.2
Total assets	868.9
Liabilities and shareholders' equity	
Accounts payable	37.8
Short-term debt	177.7
Other	25.1
Total current liabilities	240.6
Long-term debt	45.5
Deferred tax liability	31.4
Reclamation and mine closure obligation	8.0
Deferred income	7.3
Total liabilities	332.9
Shareholders' equity	
Share capital	6.7
Additional paid-in capital	359.4
Accumulated other comprehensive profit (loss)	51.7
Accumulated profit	118.2
Total shareholders' equity	536.0
Total liabilities and shareholders' equity	868.9

Net Debt Structure, as of December 31, 2007

- ▲ Total debt is \$223.2m
- ▲ Denominated in \$
- ▲ Weighted average interest rate is 6.52%
- ▲ Cash and cash equivalents is \$8.7m
- ▲ Net debt is \$214.5m

* Non-audited financial statements according to US GAAP



Income Statement

(US\$m)

	2005	2006	2007*
Revenues	239.0	315.6	310.5
<i>Growth rate, %</i>	17%	32%	-2%
Cost of sales	(137.9)	(176.6)	(201.0)
SG&A	(22.4)	(28.4)	(33.0)
Other expenses, net	(11.4)	(15.9)	(57.7)
Operating income	67.3	94.8	18.8
Interest expense	(24.9)	(25.3)	(15.3)
Capital lease finance costs	(4.0)	(2.6)	(0.7)
Exchange gains, net	(6.8)	26.8	11.7
Income before income tax and minority interest	31.6	93.7	14.5
Income tax (expense) benefit	(9.0)	(25.8)	(15.0)
Income from continuing operations before minority interest	22.6	67.9	(0.5)
Minority interest	(7.9)	(6.3)	-
Income from continuing operations	14.7	61.7	-0.5
Income (loss) on discontinued operations	2.9	-	-
Net income	17.6	61.7	-0.5
EBITDA	78.3	105.8	41.8
<i>EBITDA Margin, %</i>	33%	33%	13%

Source: Audited financial statements for the years ending December 31 2006, 2005.

* Non-audited financial statements for the year ending December 31, 2007