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Voro

Analyst / Investor Trip

Urals, Russia

June 11-12, 2008





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Overview





Team



Andrey Novikov
Managing Director
Age: 38
Experience: 15 years
At Polymetal: 4 years



Roman Shestakov
VP Production
Age: 32
Experience: 9 years
At Polymetal: 6 years



Denis Gospodarikov
VP Finance
Age: 31
Experience: 8 years
At Polymetal: 7 years



Viktor Kozlov
Chief Mining Geologist
Age: 56
Experience: 33 years
At Polymetal: 9 years



Eugeny Pushnoy
Open Pit Manager
Age: 32
Experience: 10 years
At Polymetal: 2 years



Sergey Sverba
HL Plant Manager
Age: 49
Experience: 24
At Polymetal: 9 years



Nikita Rusinov
CIP Plant Manager
Age: 37
Experience: 13 years
At Polymetal: 8 years



Sergey Egorov
Chief Exploration Geologist
Age: 57
Experience: 35 years
At Polymetal: 8 years



Location

450 km north of Yekaterinburg



▲ Available labor

- 20 km from Krasnoturinsk (population 62K)
- 30 km from Karpinsk (population 30K)
- 40 km from Serov (population 105K)

▲ Developed transport infrastructure

▲ Grid power





Overview

Designed by

▲ Polymetal Engineering, greenfield project

JORC-compliant reserves*

▲ 1.85 Moz (21,145 kt @ 2.7g/t)

Life of mine

▲ 14 years (until 2022)

Mining

▲ Open pit, oxidized and primary ore

Processing

▲ Heap leach (900Ktpa), Carbon-in-pulp (950Ktpa)

2007 key statistics

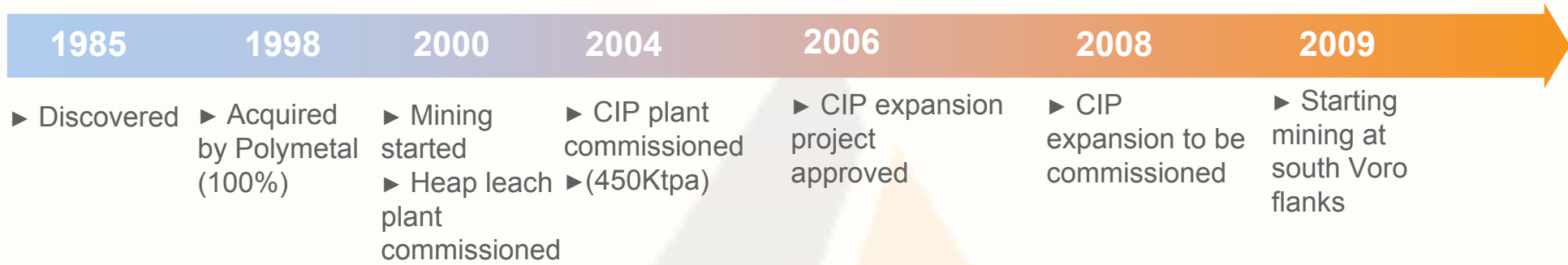
▲ Production: 117Koz of gold, 71Koz of silver

▲ Estimated cash costs (co-product) - US\$409/ ounce

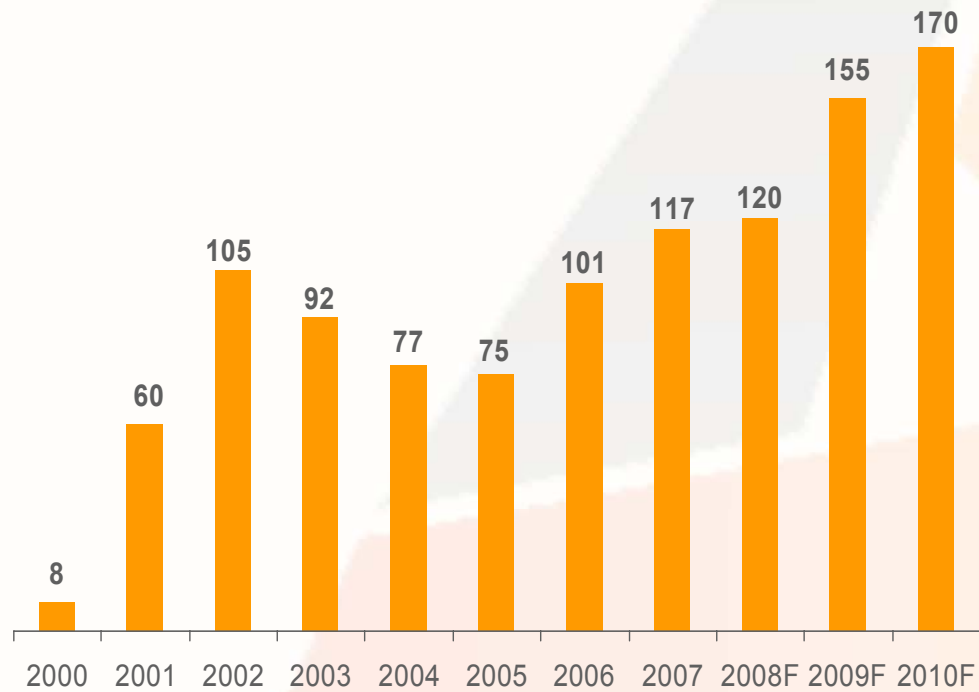
* As of 1 Jan 2008



Timeline



Gold production in 2000-2010, koz





Production Statistics

Mining	2006	2007	2008F	2009F	2010F
Ore mined (kt)	809	855	544	1,682	1,580
Oxidized	152	220	184	845	868
Primary	658	635	360	836	712
Heap leach processing	2006	2007	2008F	2009F	2010F
Ore milled (Kt)	832	882	850	850	850
Au head grades (g/t)	2.20	2.00	1.80	1.90	2.43
Au recovery to precipitate	70%	69%	70%	70%	70%
Carbon-in-pulp processing	2006	2007	2008F	2009F	2010F
Ore milled (Kt)	413	478	600	878	900
Au head grades (g/t)	5.90	6.33	5.42	5.14	5.20
Au recovery	78%	80%	82%	82%	82%
Production	2006	2007	2008F	2009F	2010F
Gold produced (koz)	101	117	120	155	170
Heap leach	41	39	36	36	46
CIP	60	78	84	119	124



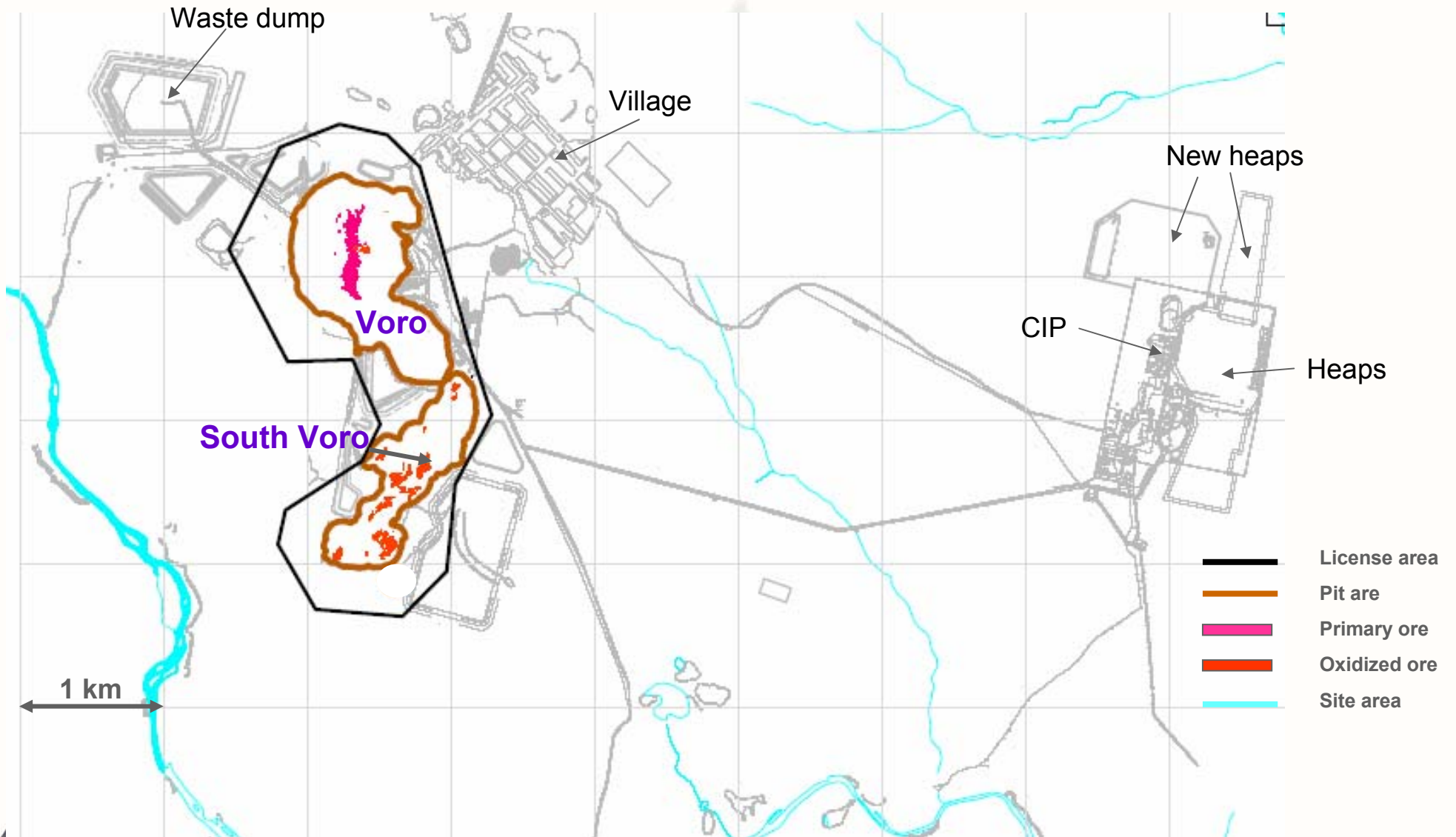
JORC Compliant Reserves and Resources as of 1 Jan, 2008

	Tonnes (Kt)	Gold		Silver	
		g/t	Koz	g/t	Koz
Proven	19,570	2.7	1,729	3.7	2,303
Probable	1,574	2.4	119	3.5	177
Total Ore Reserves	21,145	2.7	1,848	3.6	2,480
including					
Primary	14,960	3.2	1,525	3.7	1,779
Oxidized	6,185	1.6	323	3.5	701
Measured	19,541	2.9	1,805	3.9	2,427
Indicated	1,509	2.6	124	3.8	186
Total measured + Indicated	21,049	2.9	1,929	3.9	2,613
Inferred	114	2.8	10	4.6	17
Total Mineral Resources	21,164	2.9	1,939	3.9	2,629

- (1) The estimates for ore reserves (Proved and Probable) presented above are based on the following economic cut-off grades (in situ): 1.17g/t Ag equivalent for oxidized ore and 1.50 g/t Ag equivalent for primary ore
- (2) The Company's ore reserves are based on a gold price of U.S.\$ 600/oz and a silver price of U.S.\$ 11.00/oz; mineral resources are based on a gold price of U.S.\$ 700/oz and a silver price of US\$ 13.50/oz
- (3) Measured and indicated mineral resources are stated inclusive of ore reserves but with no allowance for ore loss or dilution
- (4) Inferred mineral resources are stated exclusive of reserves and measured and indicated mineral resources



Voro Site Plan





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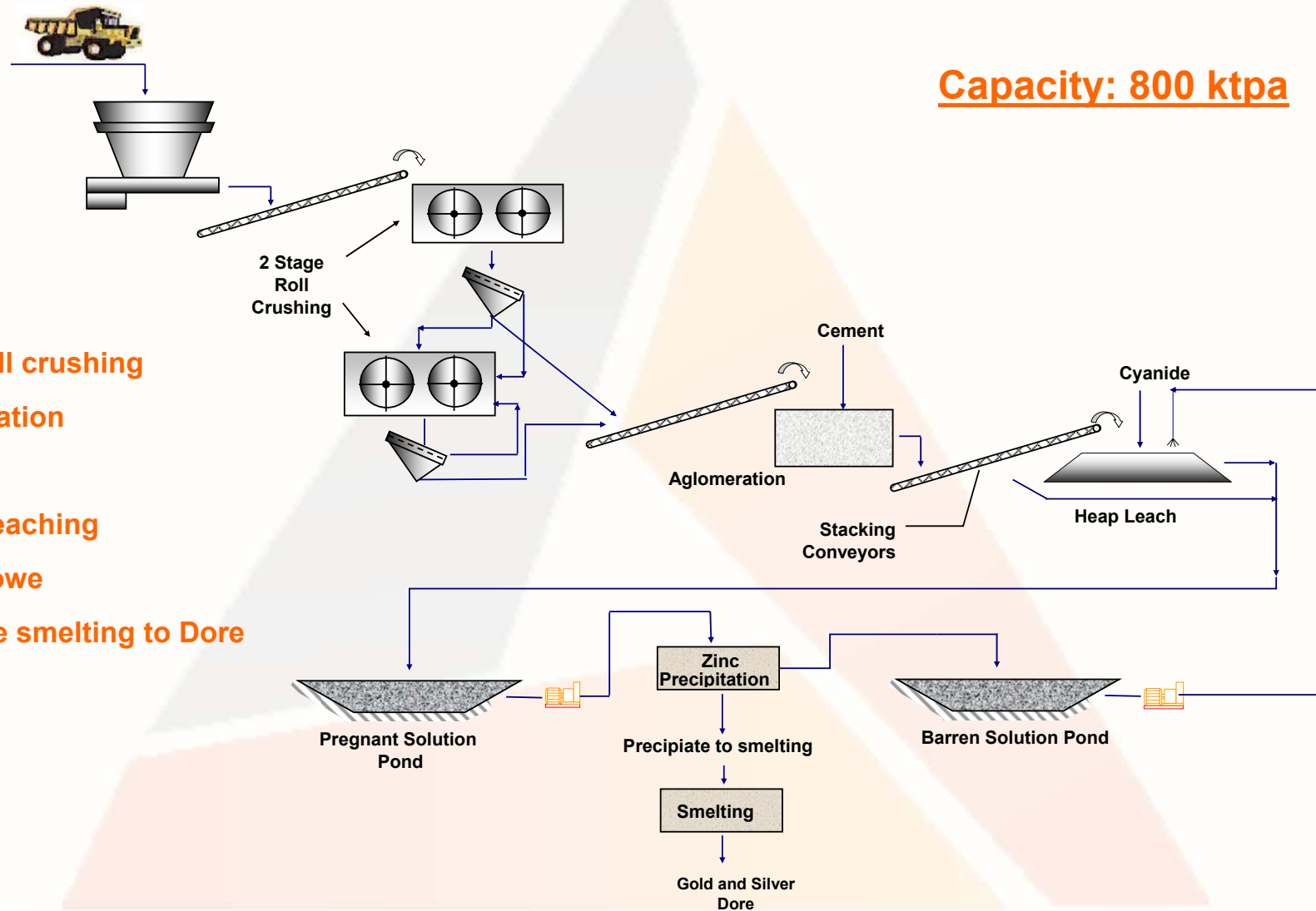
Production



Flowsheet: heap leach

Capacity: 800 ktpa

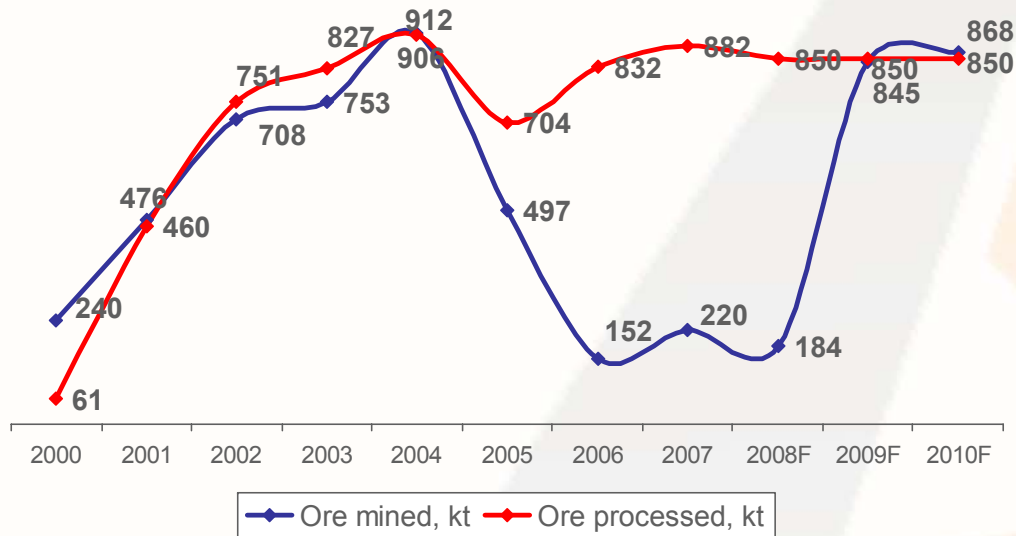
- ▶ 2 stage roll crushing
- ▶ Agglomeration
- ▶ Stacking
- ▶ Cyanide leaching
- ▶ Merrill Crowe
- ▶ Precipitate smelting to Dore



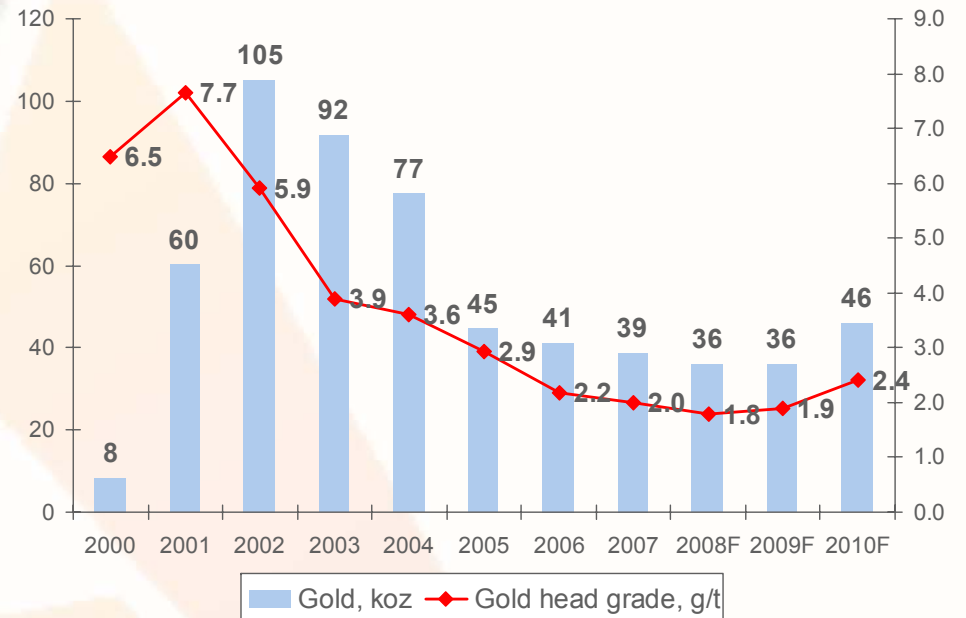


Production Statistics: heap leach

Oxidized ore mining and processing, 2000-2010



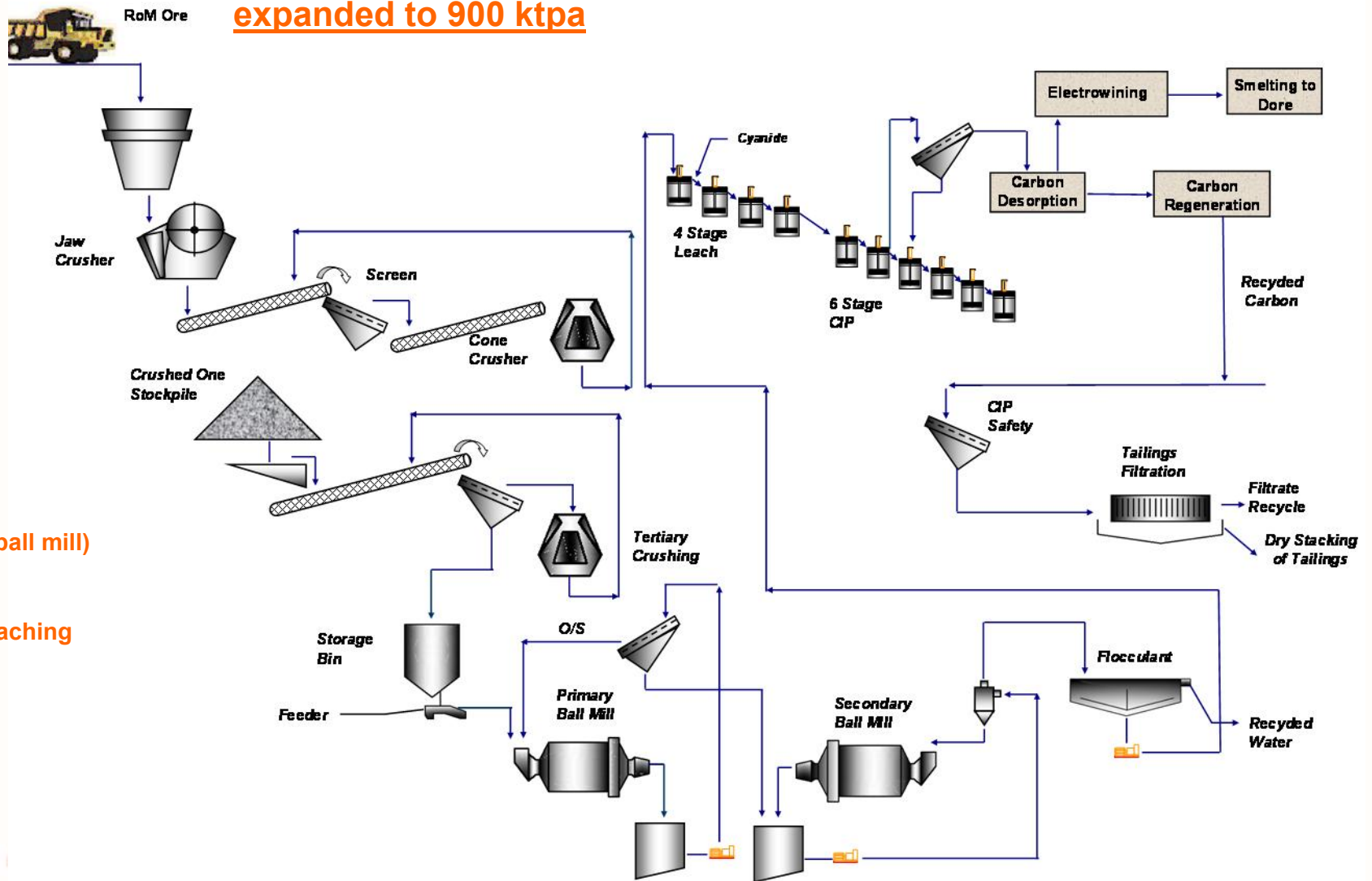
Gold production and grade at HP, 2000-2010



▲ Voro oxidized ore reserves are almost depleted, starting 2009 oxidized ore will come from the south Voro

Flowsheet: carbon-in-pulp

Capacity: 600 ktpa to be expanded to 900 ktpa

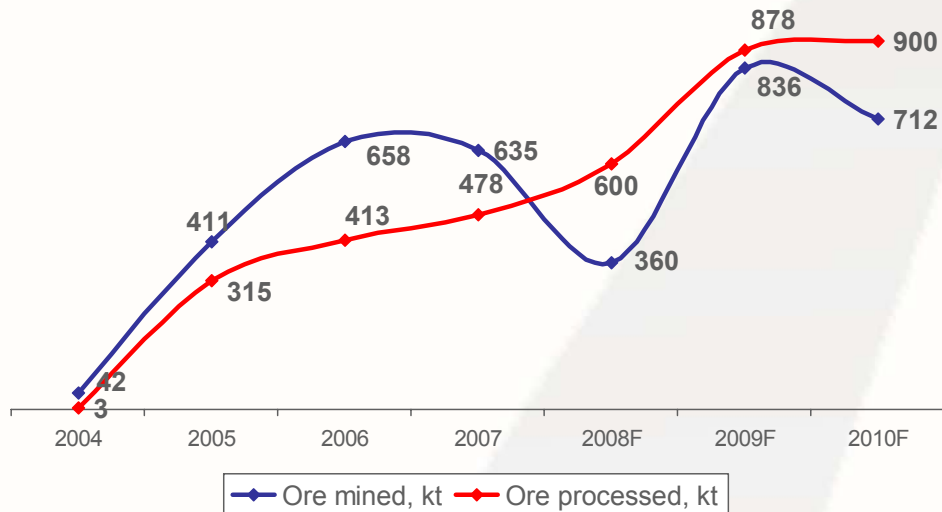


- ▶ Jaw crushing
- ▶ Cone crushing
- ▶ Tertiary crushing
- ▶ Grinding (2 stage ball mill)
- ▶ Thickening
- ▶ 4 stage cyanide leaching
- ▶ 6 stage CIP
- ▶ Stripping
- ▶ Electrowinning
- ▶ Smelting to Dore

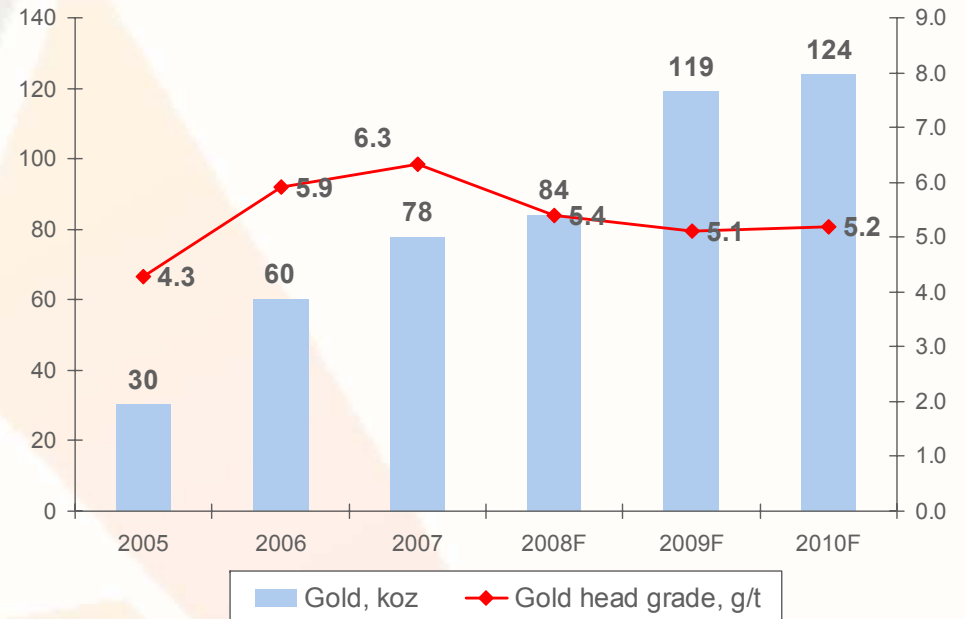


Production Statistics: carbon-in-pulp

Primary ore mining and processing, 2004-2010



Gold production and grade at CIP, 2005-2010



- ▲ Growing mining volumes: 1.3 kt by 2012
- ▲ Decrease in mining volumes in 2010 is explained by starting up of a new ore zone



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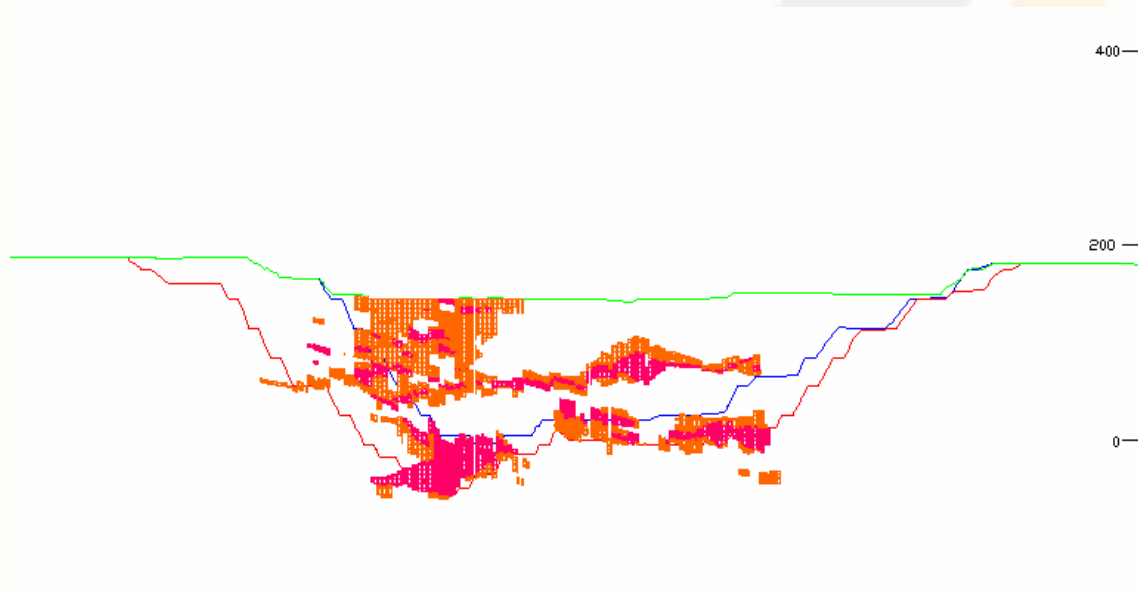
Expansion



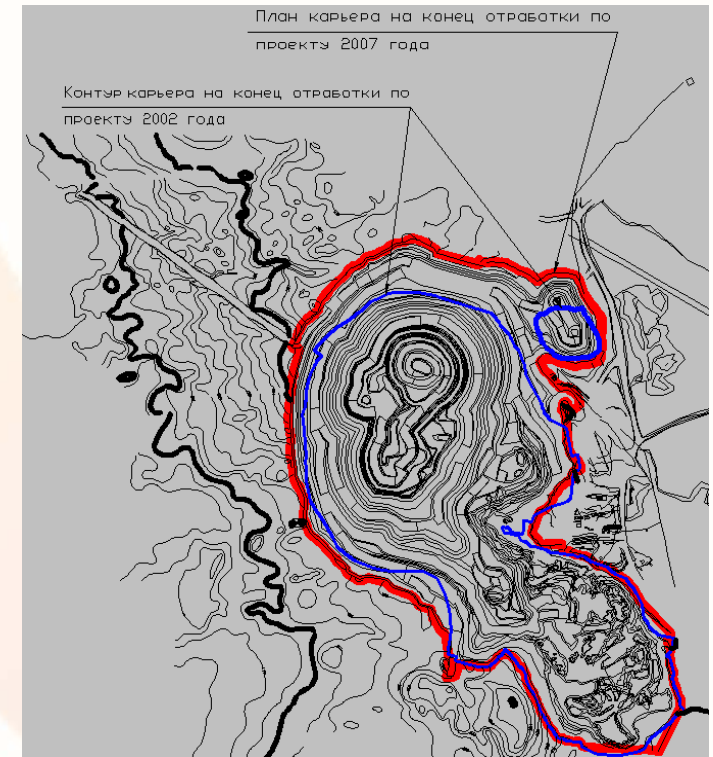


Re-optimizing of the Voro Pit

- ▲ Depth of the pit to be increased by 60 meters
- ▲ Pit limits to change by 30m west, 140m north, and 50m east
- ▲ Exploration continues – 8,000m planned for 2008



- Actual mining works as of Jan 01, 2007
- Pit limit at the end of the life-of-mine (initial project)
- Pit limit at the end of the life-of-mine (new project)
- Primary balance ore
- Primary off-balance ore



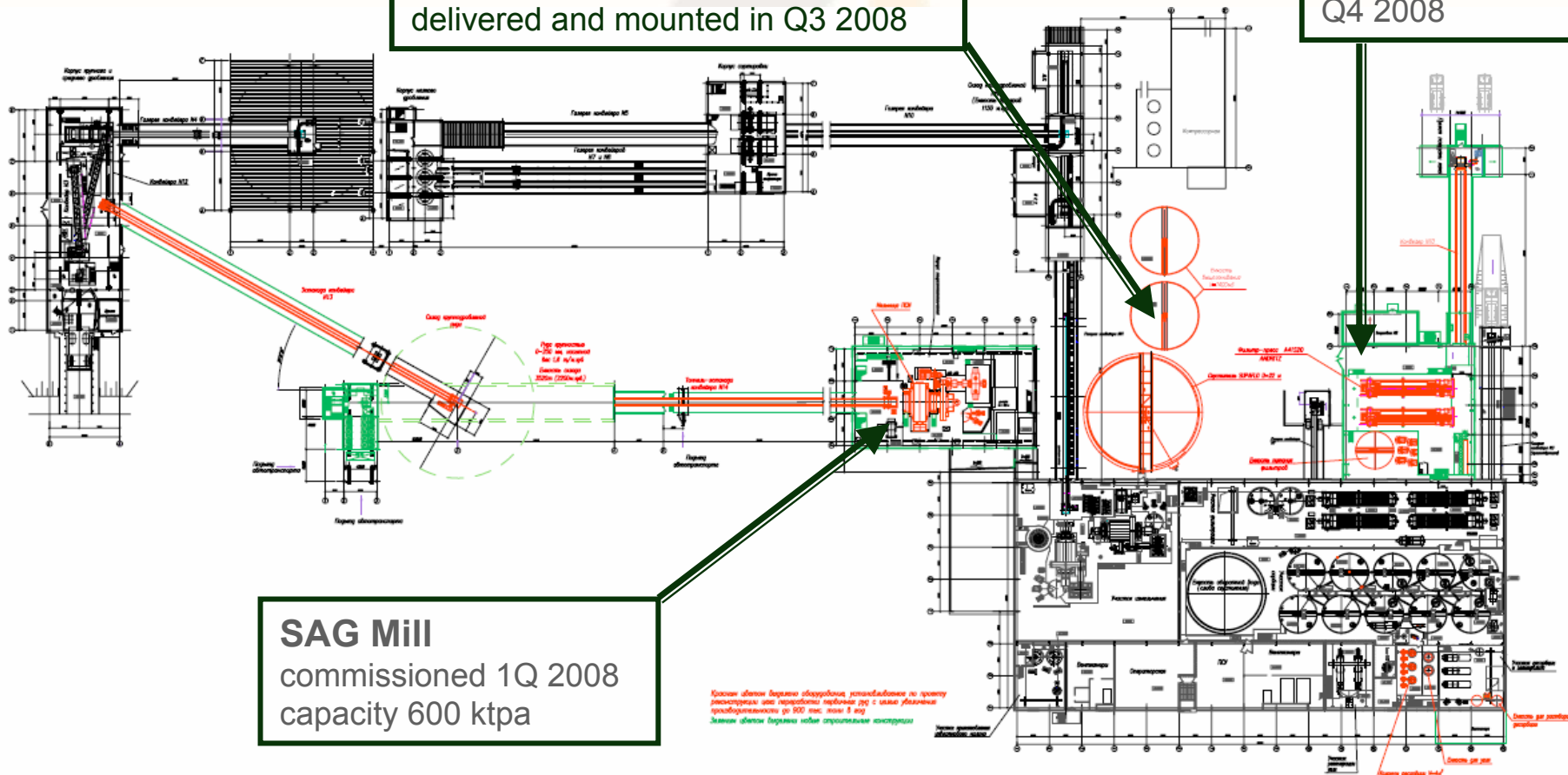


CIP Plant lay-out: Expansion Plan

▲ 80% of the project completed

Leaching Tanks
foundation prepared in Q2 2008
delivered and mounted in Q3 2008

Filter Presses
will be commissioned
Q4 2008



SAG Mill
commissioned 1Q 2008
capacity 600 ktpa

*Красные обитки ввержены в эксплуатацию, установка обитки по проекту
инженерства: шнек, переборки, тарелки, ротор с целью увеличения
производительности от 800 т/час. после 8 мая
Зеленые обитки ввержены в эксплуатацию*



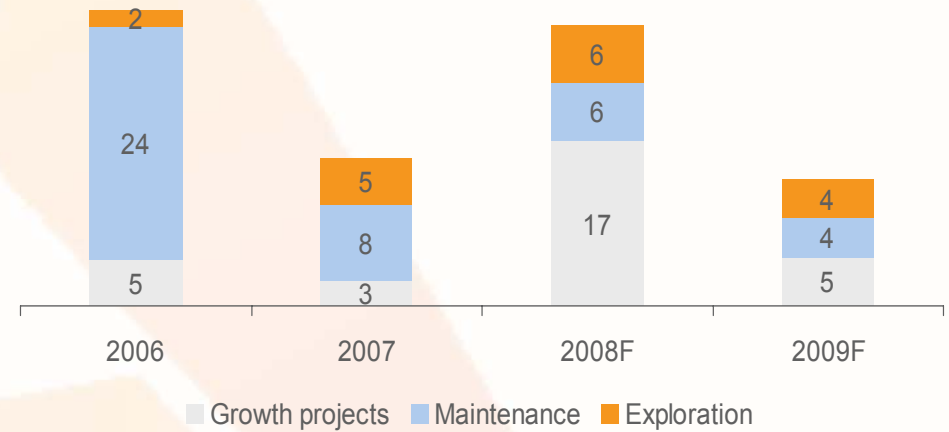
Capital Expenditures

Current projects

- ▲ Expansion of CIP plant
- ▲ Truck fleet upgrade
- ▲ South Voro

Capital expenditures in 2000-2009, \$mn

\$mn	2008F	2009F
Capital maintenance	5.9	4.0
Mine dewatering	0.6	0.4
CIP plant	17.3	1.1
South Voro	0.0	4.0
Total	19.7	8.1





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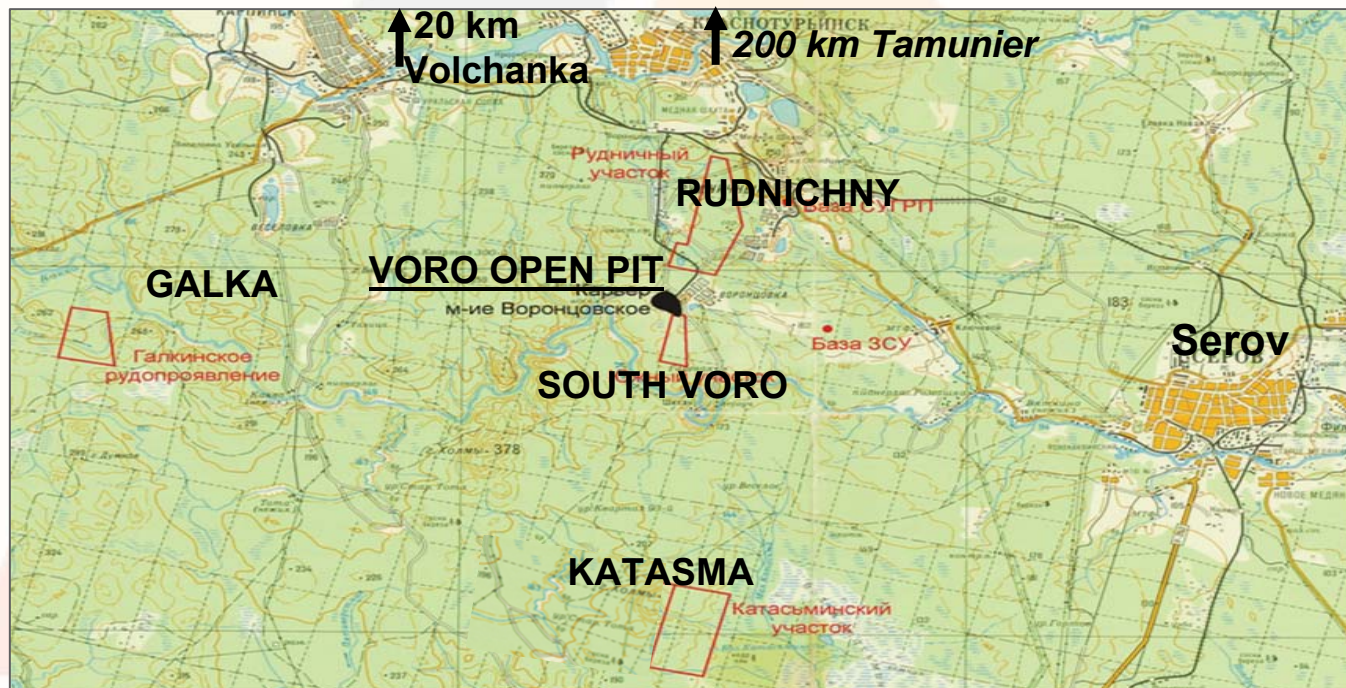
Regional Exploration Program





Regional Exploration Program

Project	Area	License Expire Date	Target	2008 Plan
▲ Galka	3.5 km ²	2010	identification of a complex gold-silver-zinc-copper ore deposit with zinc reserves of 1 million tons, gold – 1.5 Moz, silver – 40Moz.	Resource update by end 2008 12,000m drilling
▲ Katasma	28.2 km ²	2031	identification of a medium size gold deposit (0.7-1.0Moz of gold) to replenish Voro mineral resources	19,000m drilling
▲ Rudnichny	7.9 km ²	2011	identification of commercial gold bodies (0.8Moz) to replenish Voro mineral resources	6,000m drilling
▲ Tamunier	21 km ²	2032	identification of gold reserves of 1Moz at average grade of 6g/t to form the long-term mineral resource base	4,000m drilling
▲ Volchanka	31.5 km ²	2012	Identification of gold reserves of 0.8 Moz	n/a





Galka Overview

2006

- ▲ License obtained
- ▲ 5,000 m of diamond drilling

2007

- ▲ 13,000 m of drilling
- ▲ JORC-compliant resource audit
- ▲ Magnetic and electrical surveys on the flanks

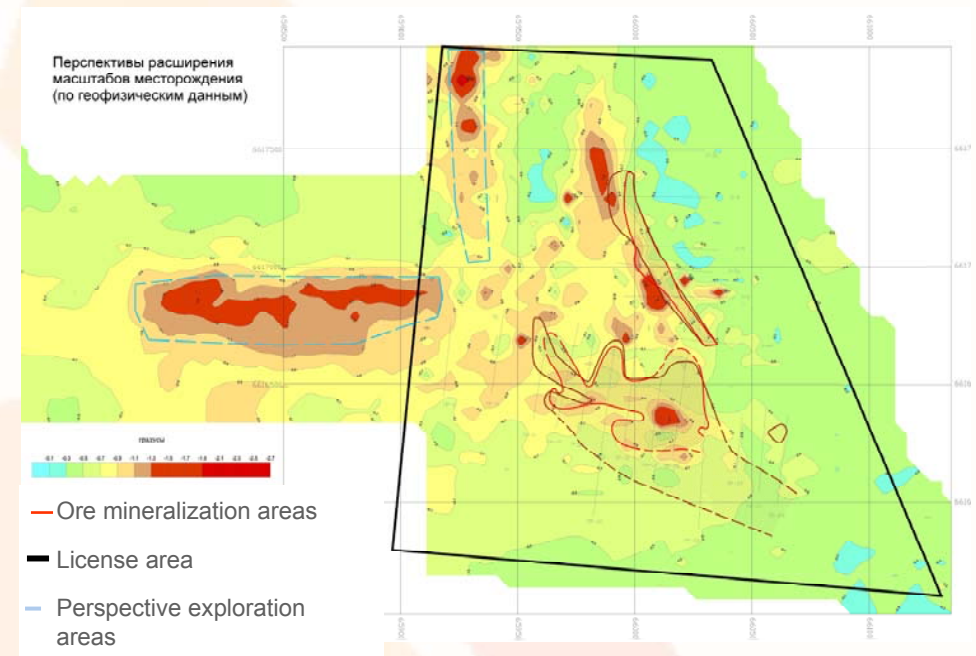
2008

- ▲ Pre-feasibility study
- ▲ 12,000 m of drilling
- ▲ Exploration and production license
- ▲ Resource update

JORC compliant resources (Snowden resource audit, May 2007)

	Tonna ge	Au	Ag	Zn	Au	Ag	Zn
	<u>Kt</u>	<u>g/t</u>	<u>g/t</u>	<u>%</u>	<u>Koz</u>	<u>Koz</u>	<u>Kt</u>
Indicated	4,255	1.43	43.68	1.37	196	5,975	58
Inferred	9,982	1.23	29.44	1.18	394	9,447	118
Total	14,237	1.29	33.69	1.24	590	15,422	176

Note: total mineral resources of 1.59 Moz. of Au eq. using the cut-off grade (in situ) of 2.0 g/t





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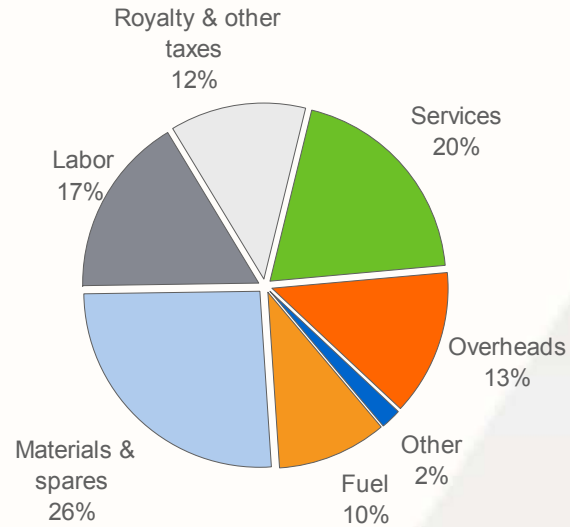
Financial Highlights



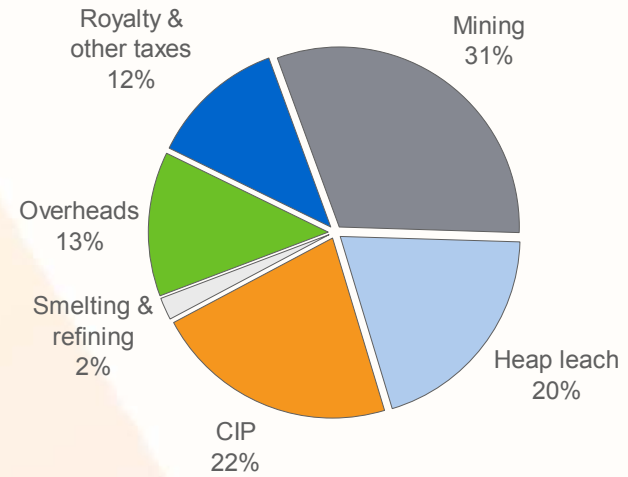


Operating cash costs

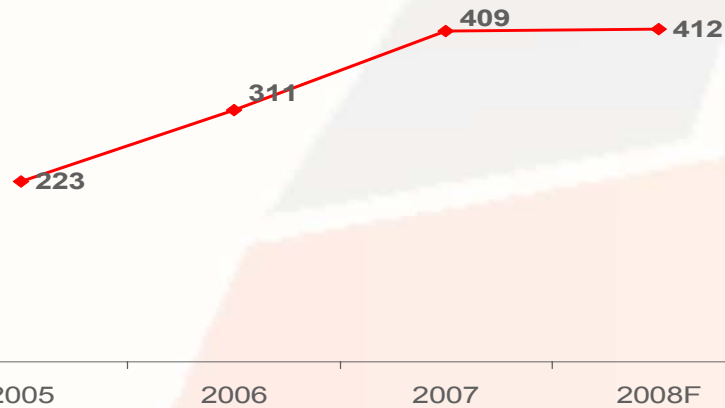
Cost structure by element, 2008



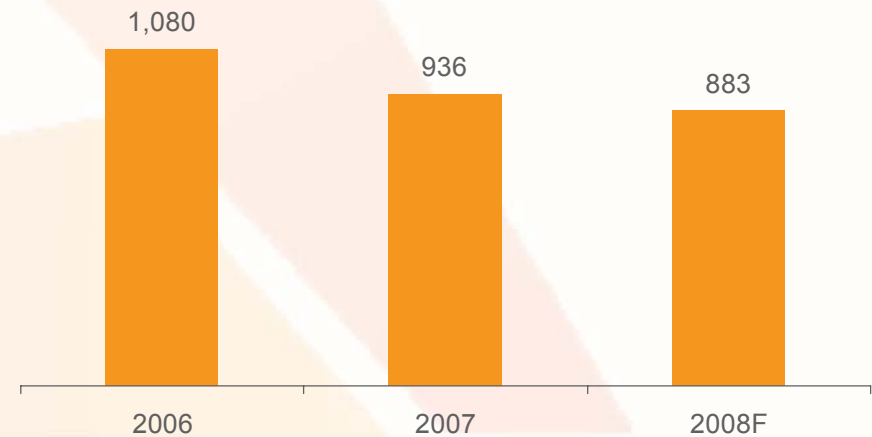
Cost structure by process, 2008



Total cash cost, \$/oz



Headcount dynamics





Continuous improvements: 2007

Project	Result
▲ Heap restacking	Increase in HL recoveries
▲ New compressor house	Increase in CIP recoveries
▲ Outsourcing of maintenance	Cost control, headcount reduction
▲ Comprehensive grade control program at Voro	Mining dilution decreased from 20.8% to 16.6%



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Social and Environmental Responsibility



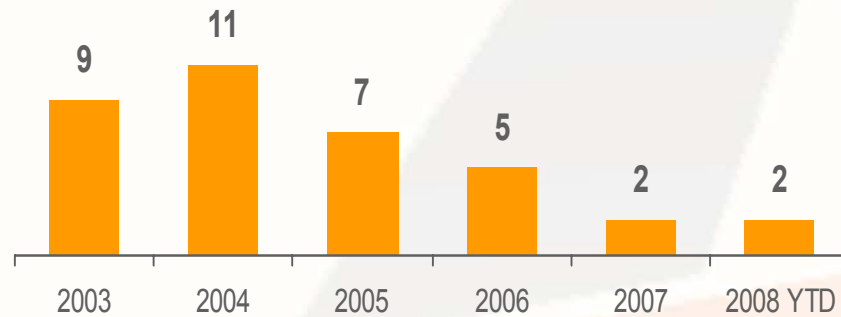


Safety Record

Focus on upgrading safety procedures

- ▲ In 2006 SRK Consulting audited and certified the company's health and safety practices
- ▲ All accidents are reported and de-briefed
- ▲ Regular safety trainings

Injuries statistics, 2003-2008 YTD*



* 1 fatality in May 2007





Social Responsibility

- ▲ Active social program in the Sverdlovsk region
- ▲ Cooperating with local and regional authorities to implement long-term social infrastructure investment projects

\$5.5 m was invested by Polymetal into the Social Program in 2006-2007, including c. \$1.7 mn in the Voro region

- ▲ Construction of public bathhouse complex in Krasnoturinsk - \$2.4 mn (2005-2007)
- ▲ Reconstruction of Vorontsovka healthcare and educational institutions
- ▲ Re-equipment of local hospital, school, kindergarten, sports centers
- ▲ Sponsored number of sport organisations and local social events





Environment

- ▲ 2006: implemented the environmental and industrial hygiene management system in accordance with the requirements of World Bank and ISO 14100 international standards
- ▲ 2006: completed the Environmental Compliance Strategy audit with international consultants Steffen Robertson and Kirsten (SRK Consulting Ltd., UK)
- ▲ 2007: implemented emissions reduction regulations
- ▲ 2007: a new monitoring system integrated within the plant expansion project. The data is regularly reported to the local authority
- ▲ 2007: Rosgedromet license was obtained as a result of high quality monitoring initiatives

