



POLYMETAL

Canaccord Adams Silver Conference

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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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Polymetal represents an excellent opportunity to invest in a mid-tier company with top quality assets

2007 Production

▲ 15.9Moz of silver and 242Koz of gold

2007 Cash Costs (1)

▲ 7.6 US\$/oz of silver and 397 US\$/oz of gold

Market Cap (2)

▲ US\$1.4bn; 315 million shares

Listing and average daily volumes

	<u>2007</u>	<u>2008</u>
▲ LSE	US\$2.9mln	US\$2.3mln
▲ MICEX+RTS	US\$0.6mln	US\$3.1mln

Net Debt (3)

▲ US\$221mln

Hedge Free

▲ Starting from January 2008



Polymetal is well positioned to capitalize on Russian gold and silver opportunities

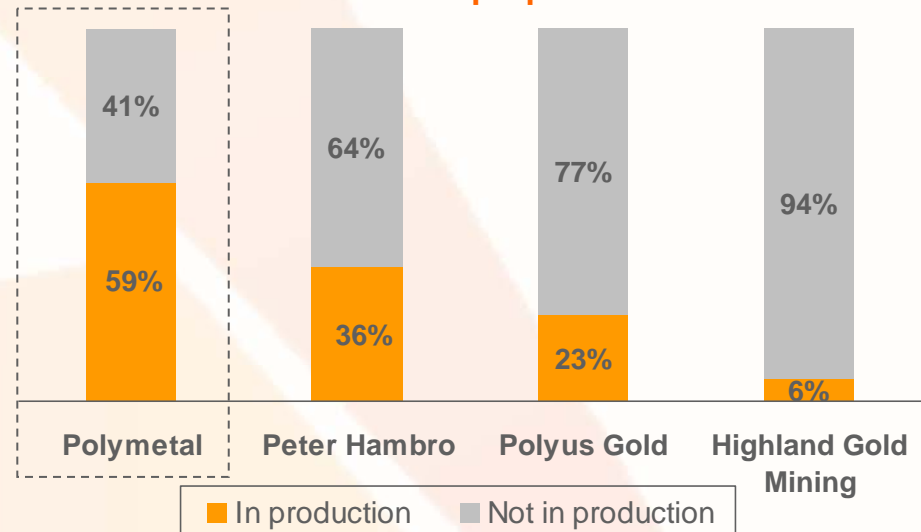
Russia's advantages for gold/silver miner

- ▲ Large and highly underexplored territory
- ▲ Taxation, licensing, and permitting procedures are clearly formulated and predictable
- ▲ Sparsely populated with environmental issues relatively less acute than elsewhere

Our position vis-à-vis Russia-specific risks

- ▲ Outstanding construction/commissioning track record: 4 mines commissioned in 1999-2003
- ▲ Majority of reserves/resources come from operating mines
- ▲ All reserves/resources are JORC-compliant and audited by reputable independent consultants (SRK, Snowden)
- ▲ Multiple operations

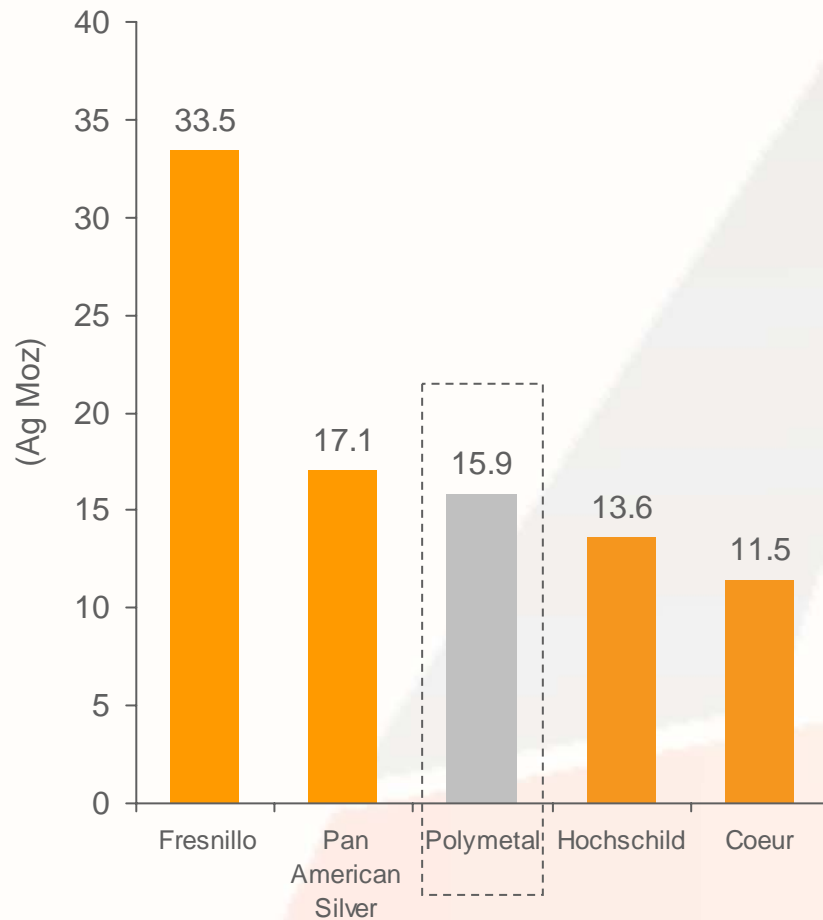
Split of resources in Russia: producing vs inactive properties



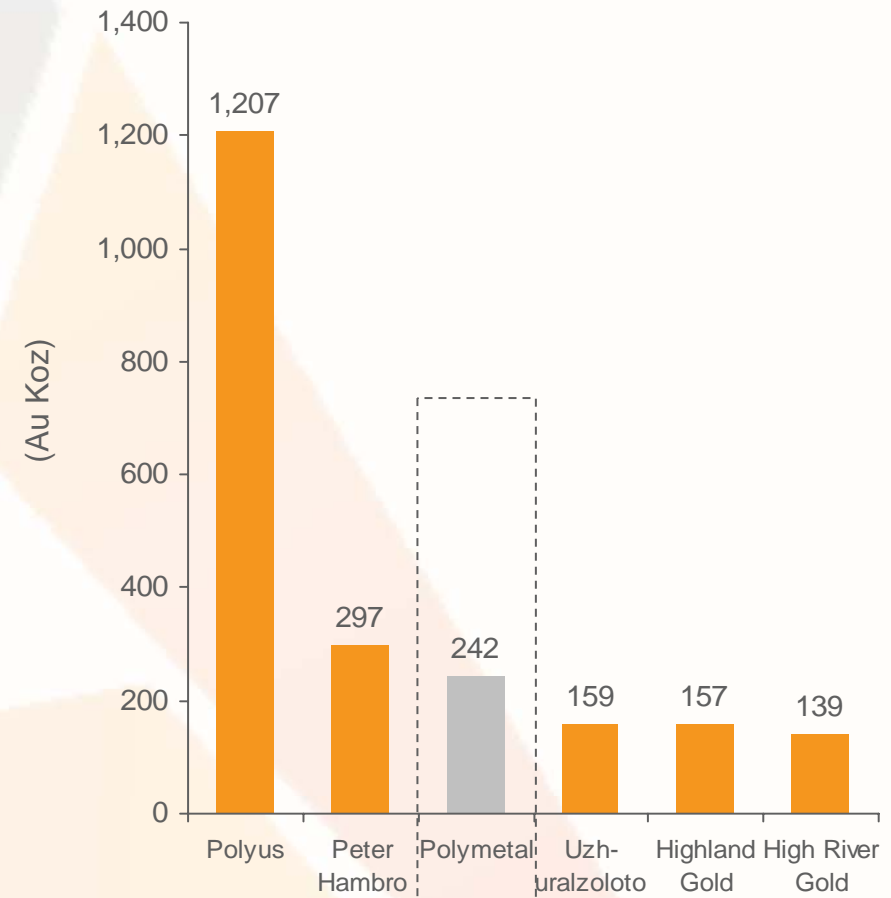


Polymetal is one of the leaders in the global silver and Russian gold industries

2007 Global Primary Silver Producers



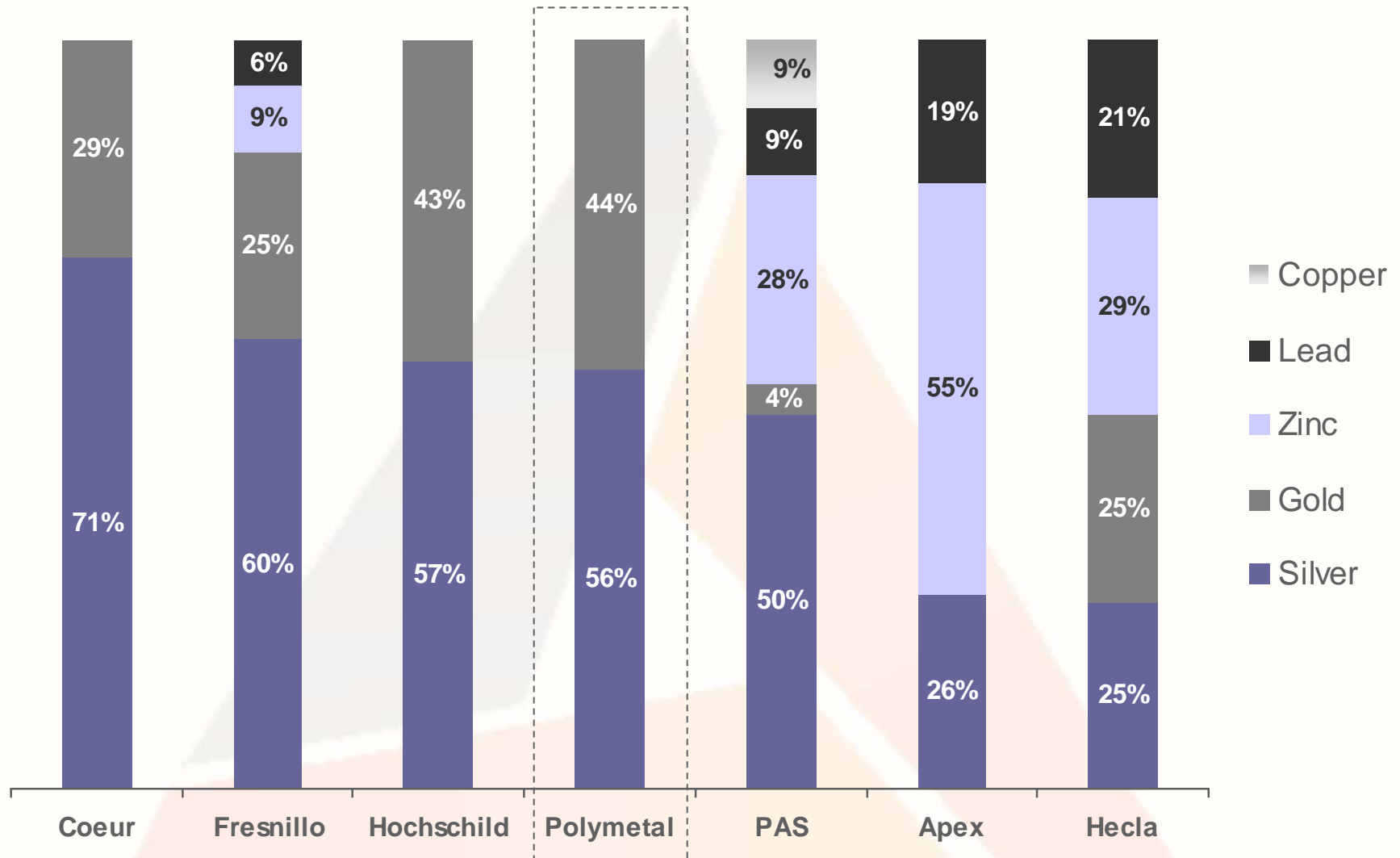
2007 Russian Gold Producers



Source: Companies' reports



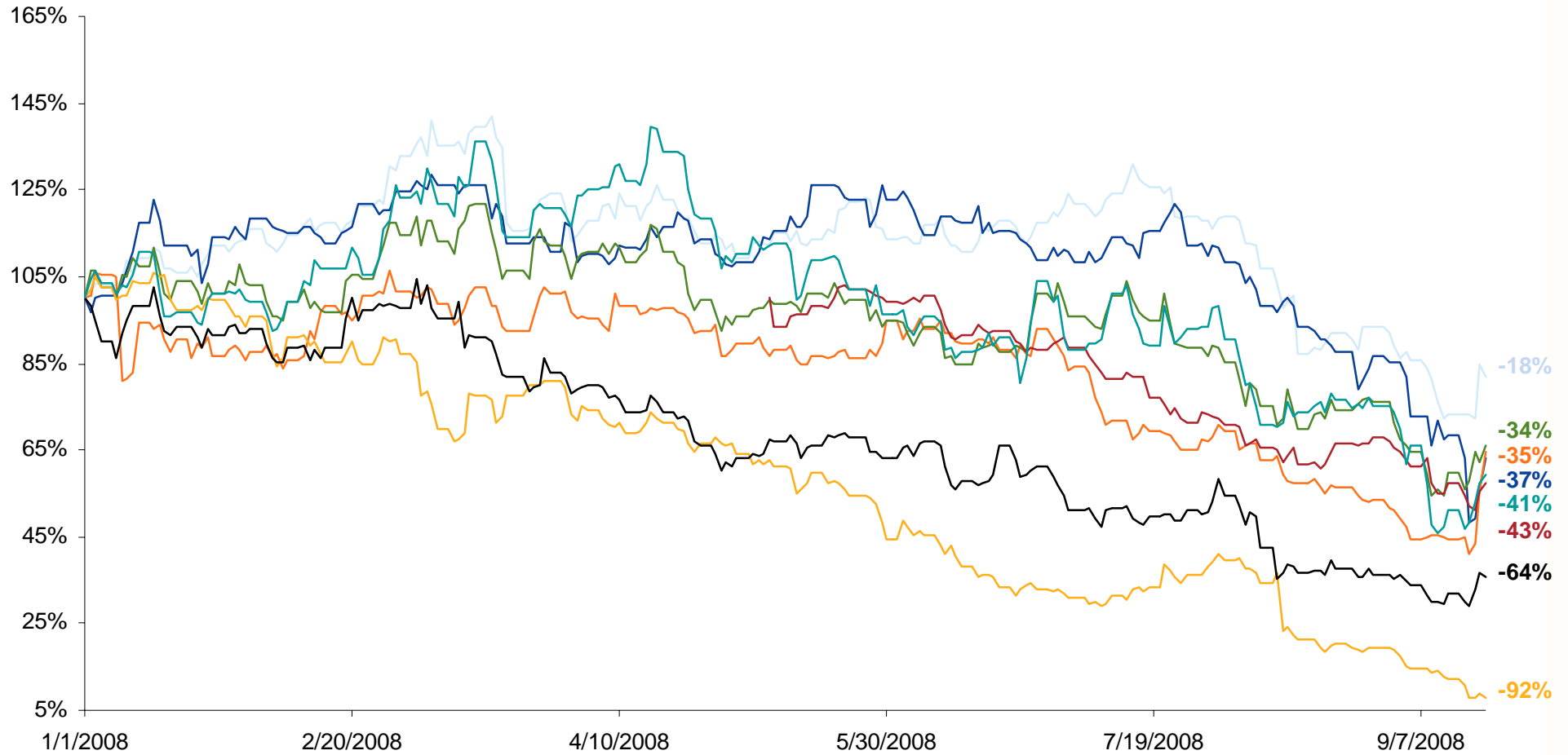
Polymetal vs. primary silver producers: dollar denominated revenues split by product, 2007



Source: Companies' 2007 annual reports



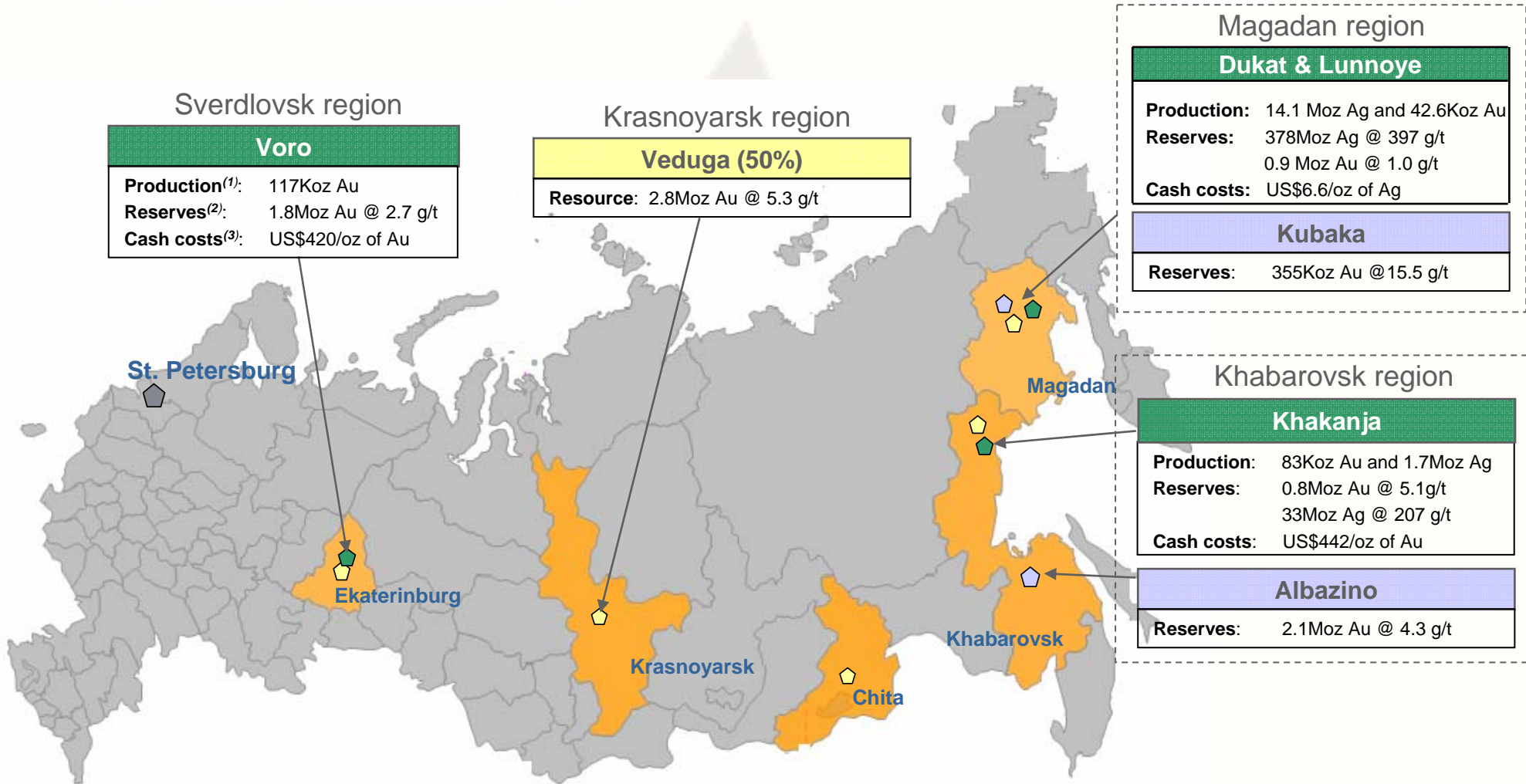
Polymetal vs. primary silver producers: relative share price performance, YTD



— Silver — Polymetal — Hochschild — PAS — Apex — Coeur — Fresnillo — Hecla



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



- ◆ Production
- ◆ Exploration
- ◆ Development



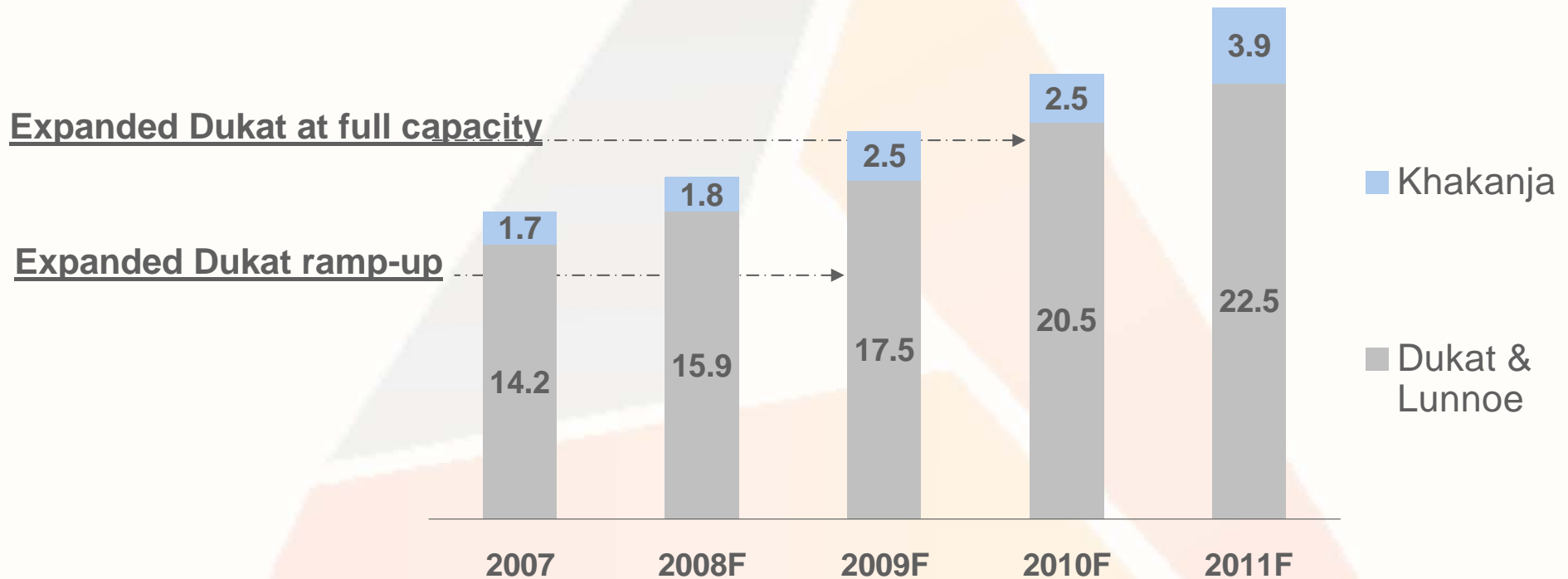
(1) Production numbers at all operations are given for 2007
 (2) Reserves numbers at all operations are: JORC compliant, as of 1 Jan, 2008
 (3) Cash costs at all operations: co product, 2007; Dukat and Lunnoye are calculated jointly



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 is one of the largest primary silver mines in the world





Dukat expansion is on track to be commissioned on time

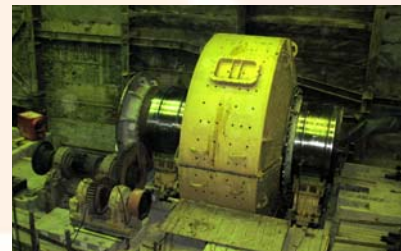
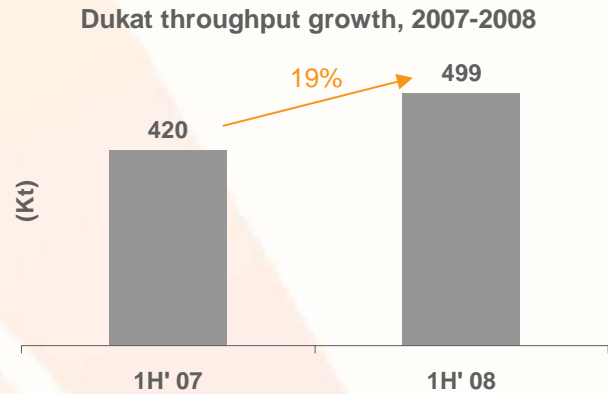
Dukat flanks are underexplored and have great resource potential

Expanded Dukat processing plant will enjoy improved operational and cost efficiencies



- ▲ 8 targets identified, 42,000m to be drilled in 2008-2009
- ▲ JORC-compliant resource at Nachalnoye-2: 430Kt at 339 g/t for 4.7Moz of silver
- ▲ JORC-compliant resource audit at Perevalnoye is expected in Q4 2008

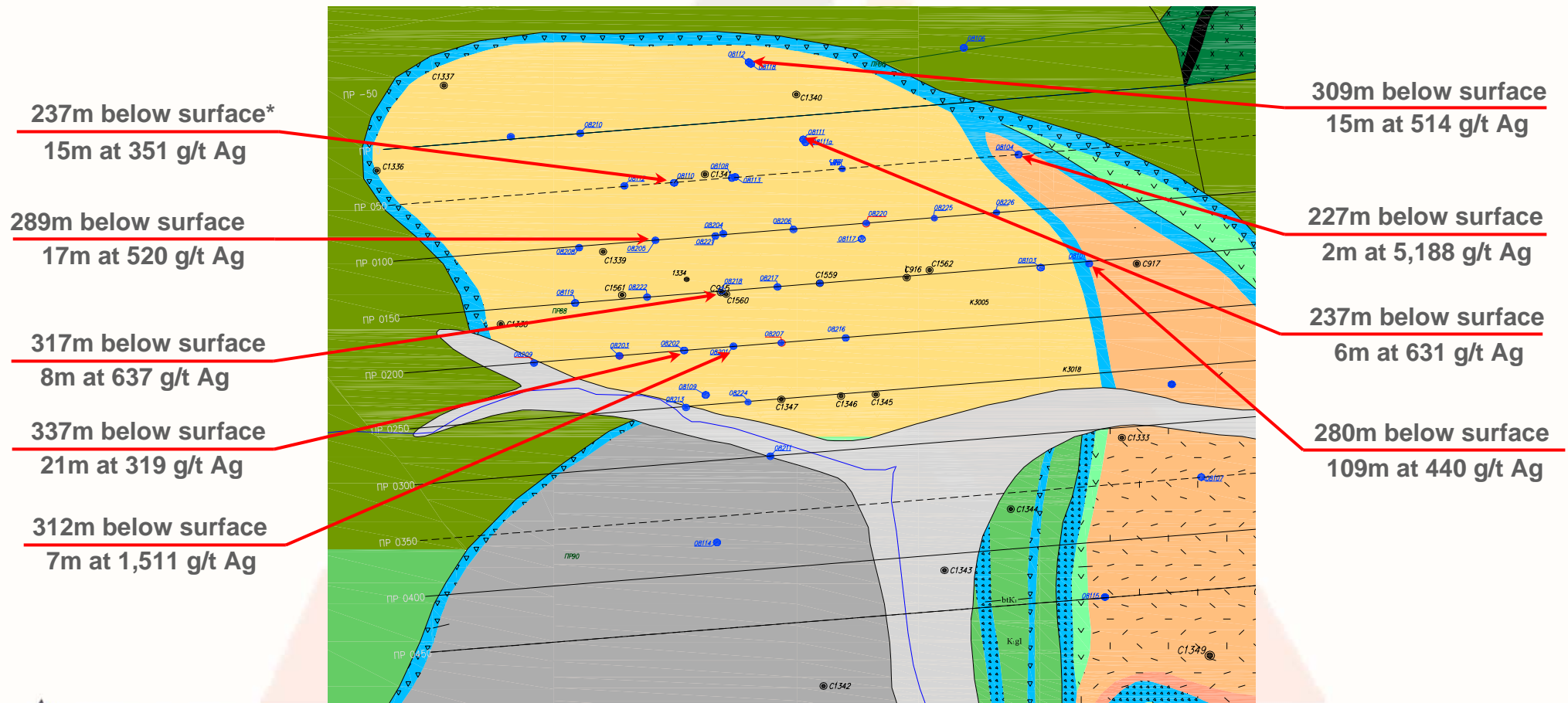
- ▲ Throughput increase from 0.9 to 1.5Mtpa
- ▲ 80% of the project complete (tailings facility, sand flotation, SAG mill, underground railway haulage commissioned)
- ▲ On track to be commissioned in Q4 2008





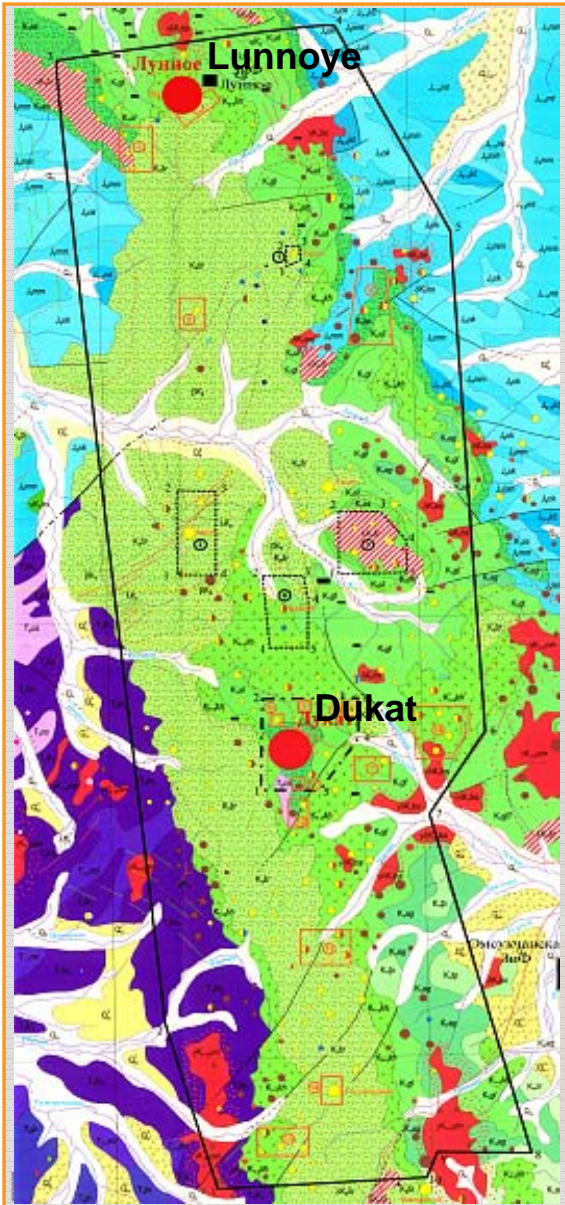
Perevalnoye is by far the most exciting target at the Dukat flanks

- ▲ 11,440 meters of infill drilling year-to-date
- ▲ As a result, Russian C1 reserve increased from zero to 1,400Kt at 402g/t for 18.1Moz of Ag
- ▲ JORC-compliant resource audit is expected in December 2008

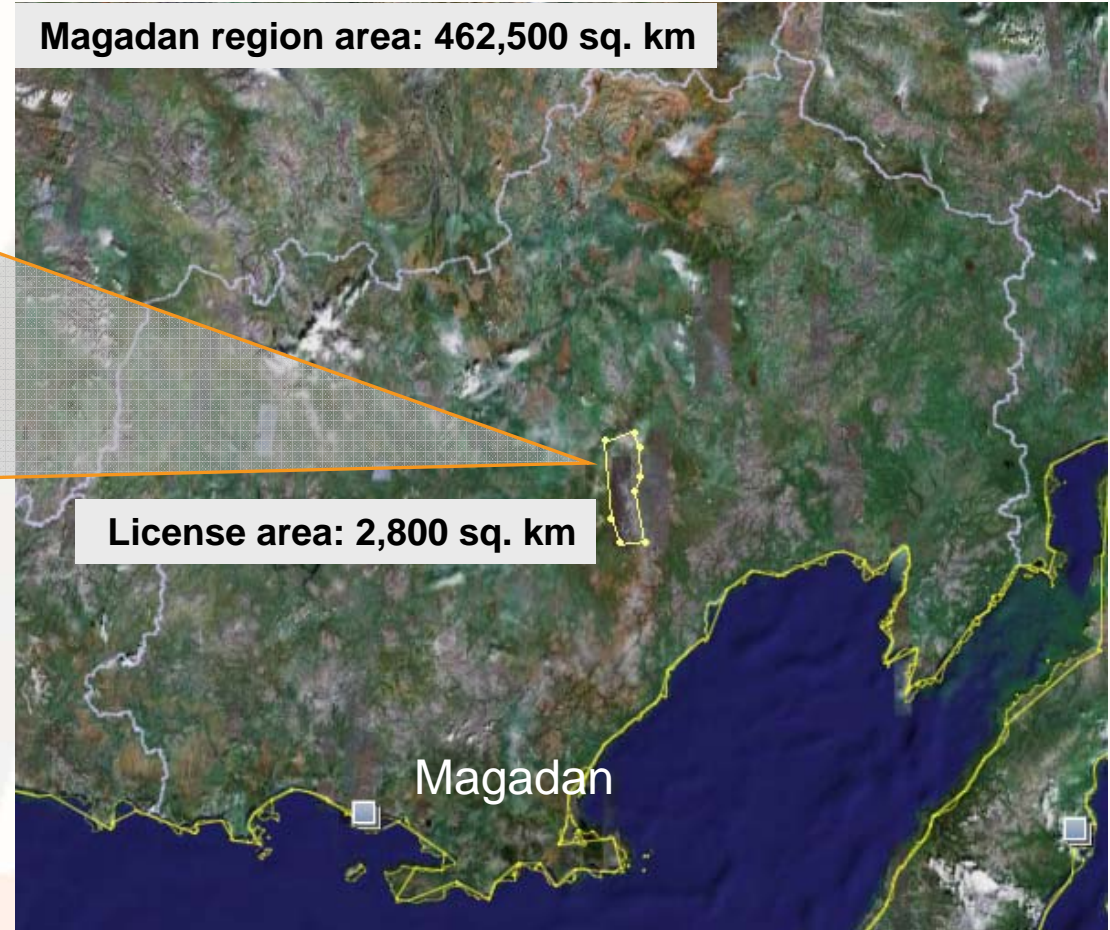




Dukat Silver Belt represents one of the largest primary silver provinces in Eurasia



Magadan region area: 462,500 sq. km



License area: 2,800 sq. km

Magadan

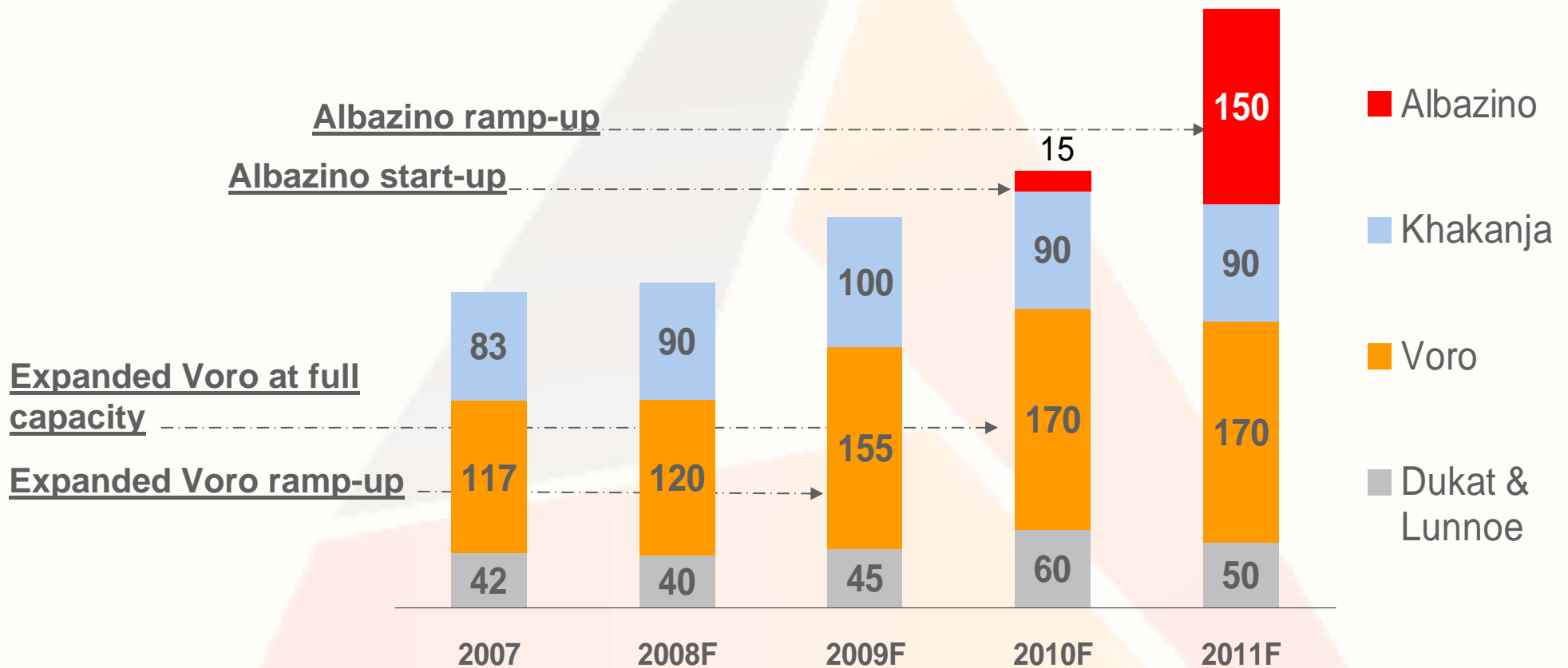
- ▲ Multiple silver occurrences and known underexplored deposits
- ▲ Targeting a feasibility study for a new mine by Q4 2009



Gold production schedule*

Gold Production (Koz) – 90% Growth by 2011

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



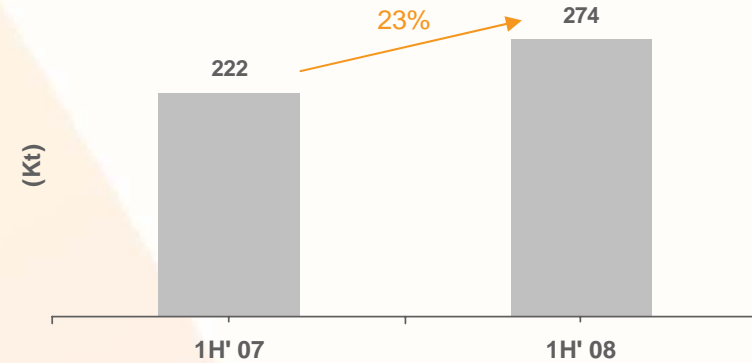


Voro expansion is more than 80% complete

Expanded Voro CIP plant will add
30-50Koz of gold per annum

- ▲ Throughput increase from 0.45 to 0.95Mtpa
- ▲ 80% of the project complete
- ▲ On track to be commissioned in Q4 2008

Voro CIP plant throughput growth, 2007-2008

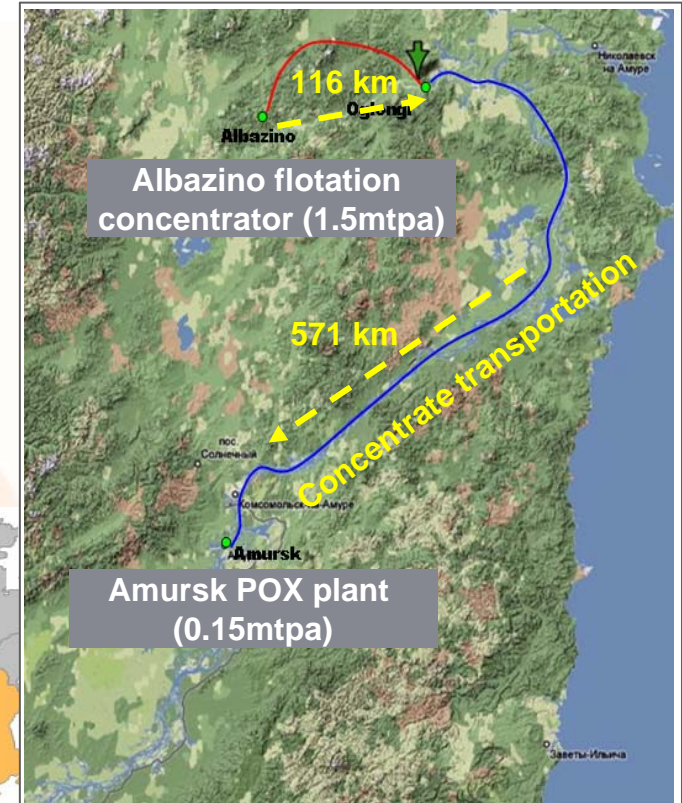




Albazino-Amursk project is a key element of Polymetal's med-term strategy

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

- ▲ 2.1Moz @ 4.3 g/t gold reserves (JORC compliant), fully open pittable
- ▲ 12 years mine life, production of 255Koz in 2012
- ▲ \$219m capital expenditures
- ▲ To be commissioned in 4Q2010





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

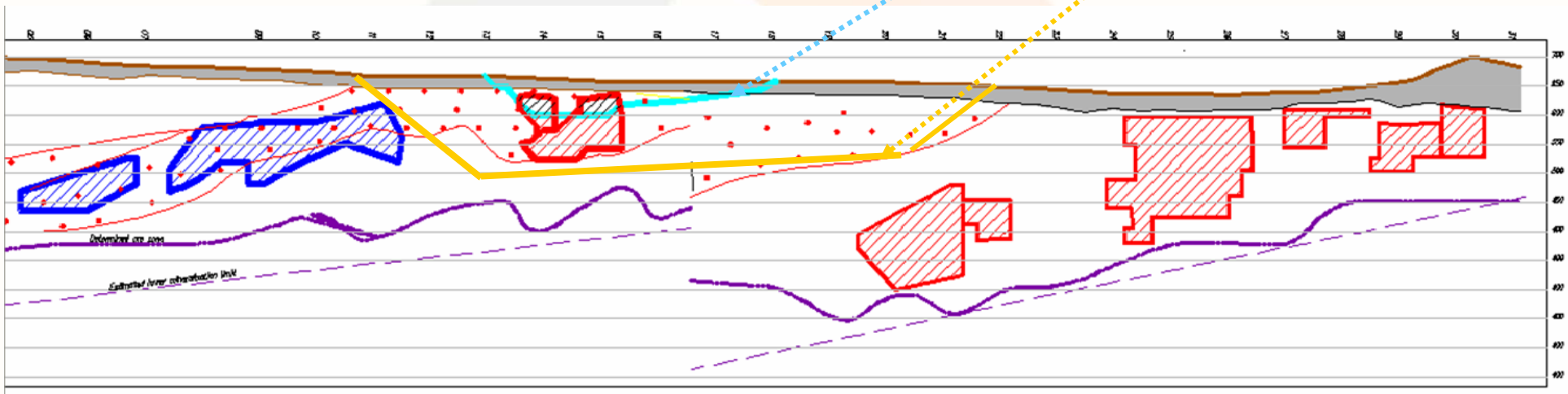
GOLD RESOURCE ESTIMATE

- ▲ 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



In-house engineering expertise provides a key competitive advantage

Polymetal has one of the largest in-house engineering operations in the Russian mining industry employing more than 100 highly skilled engineers

- ▲ Full engineering cycle from scoping through flow sheet development to working drawings
- ▲ Experience with diverse technologies
- ▲ Applying state-of-the art design instruments

- ▲ Control over mine design quality
- ▲ Collaborative decision-making yielding reliable and cost-efficient solutions
- ▲ Access to in-house engineers post commissioning





Adherence to Global Standards in HSE practices and social responsibility is a key priority for Polymetal

- ▲ Firm commitment to a sound environmental policy
 - 2006 external audit confirmed company met World Bank environmental management guidelines

- ▲ Continued focus on upgrading safety procedures
 - In 2006 SRK Consulting audited and certified the company's health and safety practices

- ▲ Active involvement in local communities
 - Cooperating with local and regional authorities to implement long-term social infrastructure investment projects



Why Polymetal?

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

