

Polyus Q1 Gold Sales Surge 52%

By [The Moscow Times](#)

April 17, 2012



Miners searching for gold. Polyus Gold International is Russia's largest miner of the metal. **Denis Grishkin**

Polyus Gold International, Russia's largest miner of the metal, said first-quarter sales jumped 52 percent as output and prices advanced.

Revenue climbed to \$587 million from \$385 million a year earlier, Polyus said Tuesday in a statement, citing unaudited data. Sales volumes increased 24 percent to 345,000 troy ounces of gold as output rose 27 percent to 328,000 ounces.

Polyus is boosting production following gains in prices for the precious metal. Gold climbed 11 percent on the London Metal Exchange last year after adding 29 percent in 2010 as investors sought a haven from Europe's sovereign-debt crisis. Polyus said its weight-average selling price increased 23 percent to an estimated \$1,702 an ounce in the first quarter.

The London-listed producer plans capital expenditures of \$600 million this year to expand. It's on schedule to commission a plant at the untapped Natalka deposit in December 2013,

where it will process as much as 10 million tons of ore a year, according to the statement.

Polyus expects Nataalka to produce about 18 tons of gold in 2014 or 2015, raising the company's current output by about 30 percent, chief executive German Pikhoya said Tuesday by telephone.

The company produced 1.5 million ounces of gold last year, 8 percent more than in 2010, and targets at least the same level this year, even with the possible sale of former KazakhGold assets. Should it retain those assets, output may reach 1.6 million ounces, Pikhoya said, declining to comment on whether there are any potential bidders.

Polyus moved its domicile to Jersey in Britain from Moscow last year to broaden its investor base and bolster its value ahead of a possible merger with an international gold producer. In January, the billionaire owners of Polyus and Polymetal International were studying a combination of the two miners, two people with knowledge of the matter said at the time.

Pikhoya said Tuesday that Polyus isn't currently in merger talks with any company.

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