



ANNUAL REPORT 2008



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Statement from the CEO



Dear Shareholders, Partners, and Colleagues!

2008 was a landmark year for the Company. We successfully maintained our leading position in the sector - both in terms of growth in the amount of gold mined, as well as in production efficiency. At the same time, we significantly expanded the scale and geographic scope of our business.

Continued consolidation and expansion (via the purchase of new assets) have become central components of the Company's strategy. Initially launched as a single asset business, GV Gold, OJSC has been transformed into a Group of companies with projects in the Irkutsk and Amur Regions, as well as in the Republic of Sakha (Yakutia). In addition, to optimizing corporate management, we have also established a representative office in Moscow.

In the context of the Irkutsk Project, we reached the design capacity at the second gold-extracting plant at the Goletz Vysochaishy deposit and launched construction of the third, more powerful plant. This helped bring us to the next stage of development.

The Company justified construction of the new plant by considerably increasing resources at the main deposit and by recently acquiring the Eastern Part of the Khomolkho ore field, which increased the area of our geological exploration by 400 sq. km at prominent sites on the flanks of the main deposit.

The purchase of Aldgold Mining Company, which is focused on developing Russia's largest gold-placer deposit located in the Republic of Sakha (Yakutia), was a remarkable event for our Company. Until recently, the Company specialized exclusively in "large-scale" gold. Considering "small-scale" gold, the Company re-assessed the area's potential and started re-exploration. We expect that in 2-3 years our resources will grow at least 2 times. Thus, this will enable us to considerably increase yields from that deposit.

Gold Minerals, our principal operating partner in the Komi Republic, engaged in successful exploration activities in the Irkutsk and Amur Regions, as well as in the Republic of Sakha (Yakutia).

In 2008, the Company reached targets set by the Board of Directors for both the volume of gold mined, as well as for revenues from gold sales. Mined gold exceeded 4.1 tons - a 28 percent increase from the previous year. Revenues from gold sales grew by 57 percent and equaled RUR 2.8 billion.

We continue to provide social support in the regions in which the Company operates, and we are committed to operating using the highest standards of environmental and labor force protection.

I would like to underline that even though the Company has abundant natural resources and strong production facilities, it could not achieve such impressive results without our most important asset - our people. The support of our shareholders, efficient management and a qualified workforce help drive our successful business.

In conclusion, I would like to thank our employees and also extend deep gratitude to our shareholders for their continued support and trust.

We plan further production growth and continued expansion of the Company's resource base. In the long run - by 2016 - the Company plans to mine up to half a million ounces of gold per year. GV Gold is looking to become a world-scale company in both technologies and work standards and also to become one of Russia's top five gold mining companies. I am convinced that we have a solid ground to base these aspirations on.

Sincerely yours,

Sergey A. Vasilyev

**Chief Executive Officer,
General Director**

The Company's position in the industry

Global and Russian gold production

In 2008, 184.488 tonnes of gold were mined or produced in Russia (a 13.3 percent increase from 2007). Russia is currently ranked 5th in global gold mining (compared to 6th in 2007), after the People's Republic of China, the United States, South Africa, and Australia.

World's Major Gold-Producing Countries*

Gold production (by country), tonnes

	2007	2008
China	280,5	292,0
United States	238,0	234,5
South Africa	269,9	233,3
Australia	246,4	215,2
Russia	169,3	188,7
Peru	169,6	179,5
Canada	102,2	96,4
Indonesia	146,6	94,7
Ghana	77,3	80,4
Uzbekistan	74,9	77,0
World total	2 478,0	2 415,6

* Source: NBLzoloto



The Company's position in the industry

Gold mining in Russian regions

Almost 97 percent of all gold mined in Russia come from eleven major mining regions in the country.

Mining and gold production in Russia in 2007 - 2008*

	2007	2008	2008 / 2007, %
Mining and production, total	162 842	184 488	113,3
Including			
Mined gold	144 854	163 891	113,1
1 Krasnoyarsk Region	32 194	33 525	104,1
2 Chukotka Autonomous Area	4 354	20 090	461,4
3 Republic of Sakha (Yakutia)	18 931	18 936	100,0
4 Amur Region	14 718	18 747	127,4
5 Khabarovsk Region	14 780	16 231	109,8
6 Irkutsk Region	14 884	14 550	97,8
7 Magadan Region	15 288	13 920	91,0
8 Sverdlovsk Region	6 048	6 741	111,4
9 Republic of Buryatia	6 761	6 224	92,0
10 Transbaikal Region	6 325	5 737	90,7
Other regions	1 868	1 940	103,8
Gold obtained as a by-product	12 121	12 456	102,8
Secondary (reduced) gold	5 867	8 141	138,8

* Source: NBLzoloto

The increase primarily resulted from production growth at mines in the Chukotka Autonomous Region and the Amur Region.

The amount of gold mined at bedrock deposits increased in the Chukotka Autonomous Region, Khabarovsk Region, the Amur Region, the Sverdlovsk Region, the Chelyabinsk Region, and the Irkutsk Region, and decreased in Buryatia, the Magadan Region, and Kamchatka Region.

The Company's position in the industry

Gold mining by companies

Twenty-seven gold-mining companies account for 78.5 percent of all gold mined in Russia.

Polyus Zoloto, OJSC remains the Russian leader in gold mining (with 38.3 tonnes from Olimpiadinskoye and other deposits). Kinross Gold Corp. moved into the second place with 15.4 tonnes after the Kupol mine in Chukotka reached its design capacity. In late 2008, Severstal-Resources, CJSC, Severstal's natural resources division, cracked the top five after it purchased the Canadian company High River Gold Mines (BuryatZoloto - Zun-Kholba, Irokinda).

Leading Gold-Mining Companies in Russia, 2006-2008*

Company	Mined gold, kg			2008 / 2007, %
	2006	2007	2008	
1. Polyus Zoloto, OJSC	37 548	37 760	38 262	101,3
2. Kinross Gold Corp.	1 187	1 980	15 433	125
3. Peter Hambro Mining	7 421	9 002	12 240	136
4. Polymetal OJSC	7 828	7 273	8 900	122
5. Severstal-Resources, CJSC	2 022	2 355	5 997	254,6
6. Yuzhuralzoloto GK, OJSC	3 897	4 976	5 243	105,3
7. Highland Gold Corp.	5 026	4 623	5 120	110,8
8. GV Gold, OJSC	2 634	3 197	4 044	126,5
9. Susumanzoloto, OJSC	3 740	4 116	4 002	97,2
10. A/S Amur, CJSC	2 658	2 915	3 302	113,3
* Source: NBLzoloto				

The overall increase primarily resulted from higher output at mines operated by the following companies: Chukotskaya GGK, Rudnik Karalveem, GK Petropavlovsk, Polymetal, Sovrudnik and others.

During the reported period, the amount of gold mined by foreign companies operating in Russia increased almost 1.5 times. The share of mining enterprises controlled by foreign entities accounted for 20.7 percent of the country's gold mining.

In 2008, the number of gold mining enterprises increased 9 percent. This primarily resulted from the formation of small enterprises, which are mainly focused on developing gold placer deposits.

In 2008, the growth of output from bedrock deposits totaled 3.6 tons, primarily as a result of the following key events:

- Launch of the Kupol Project in Chukotka, May 2008;
- Commissioning of the starting complex at the Pioneer Deposit (Pokrovsky Rudnik JSC);
- Increased ore-processing capacity at Rudnik Karalveem JSC;
- Increased mining output for Polymetal (OJSC), and Vysochaishy (OJSC) (the Goletz Vysochaishy deposit).

At the same time, output from gold-placer enterprises dropped by 4.5 tons, including a 3-ton drop from small mining firms involved in gold-placer development. This was primarily caused by a lack of Russian government support for gold-placer operators.

General information on the Company

Founding of GV Gold (OJSC Vysochaishy)

GV GOLD (OJSC Vysochaishy) was established on February 3rd, 1998 by Lanta-Bank (CJSC) and Lenzoloto (OJSC) to develop the Goletz Vysochaishy deposit in the Bodaibo Area of Irkutsk Region.

GV GOLD (OJSC Vysochaishy):

- Unites a group of Companies involved in prospecting and developing mineral resources in four Russian regions: the Irkutsk and Amur Regions, the Republic of Sakha (Yakutia) and the Komi Republic.
- Ranks among Russia's top ten gold mining companies.
- Possesses modern production facilities and a development program that aims by 2016 to produce 14.6 tonnes of gold (including 10 tonnes from the Irkutsk Project alone).

Stages of the Company's Development

Stage 1 - Active Geological Exploration

1998	Company founded, license obtained and exploration started
2000	Exploration completed and deposit data confirmed

Stage 2 - Pilot Plant, Main Gold Mine & Processing Plant Construction

2001	Pilot plant launched (capacity 100,000 tonnes, or 3,215 mln oz, of ore per annum) First gold produced
2002	Design and development work commences on the main processing plant "GV Gold" (initial design capacity of 900,000 tonnes (28,935 mln oz) of ore per annum)
2003	Pilot plant produces 8,552 oz of gold. Construction launch of the main processing plant
2004	In April, main plant launched under load. In July, Phase 1 of the main processing plant is operational; 31,273 oz of gold is produced

Stage 3 - Capacity Expansion and Production Growth

2005	Start of capacity expansion work at the main plant; gold production reached 65,218 oz
2006	Gold production of 86,968 oz
2007	Blackrock acquired a stake in GV Gold. Acquisition of licenses
2008	Completed acquisitions of new assets: <ul style="list-style-type: none"> - 51% in Aldgold (CJSC) - 75% in Zolotaya Gora (CJSC) - 100% in Gold Minerals (CJSC) - 100% in Khomolkho (CJSC) - License for the Eastern part of Khomolkhinskoe ore field

General information on the Company

Business Geography

Historically, the Goletz Vysochaishy gold deposit in the Bodaibo Area of the Irkutsk Region has been the Company's principal project.

In 2007, Vysochaishy (GV Gold), using revenues from its major activity, launched corporate development in other Russian regions of Russia to decrease the economic and geographical risks associated with a single-site operation company.

At present, the Company operates in four Russian regions, namely:

- the Irkutsk Region and Republic of Sakha (Yakutia) (gold mining);
- the Amur Region and the Komi Republic (geological exploration).

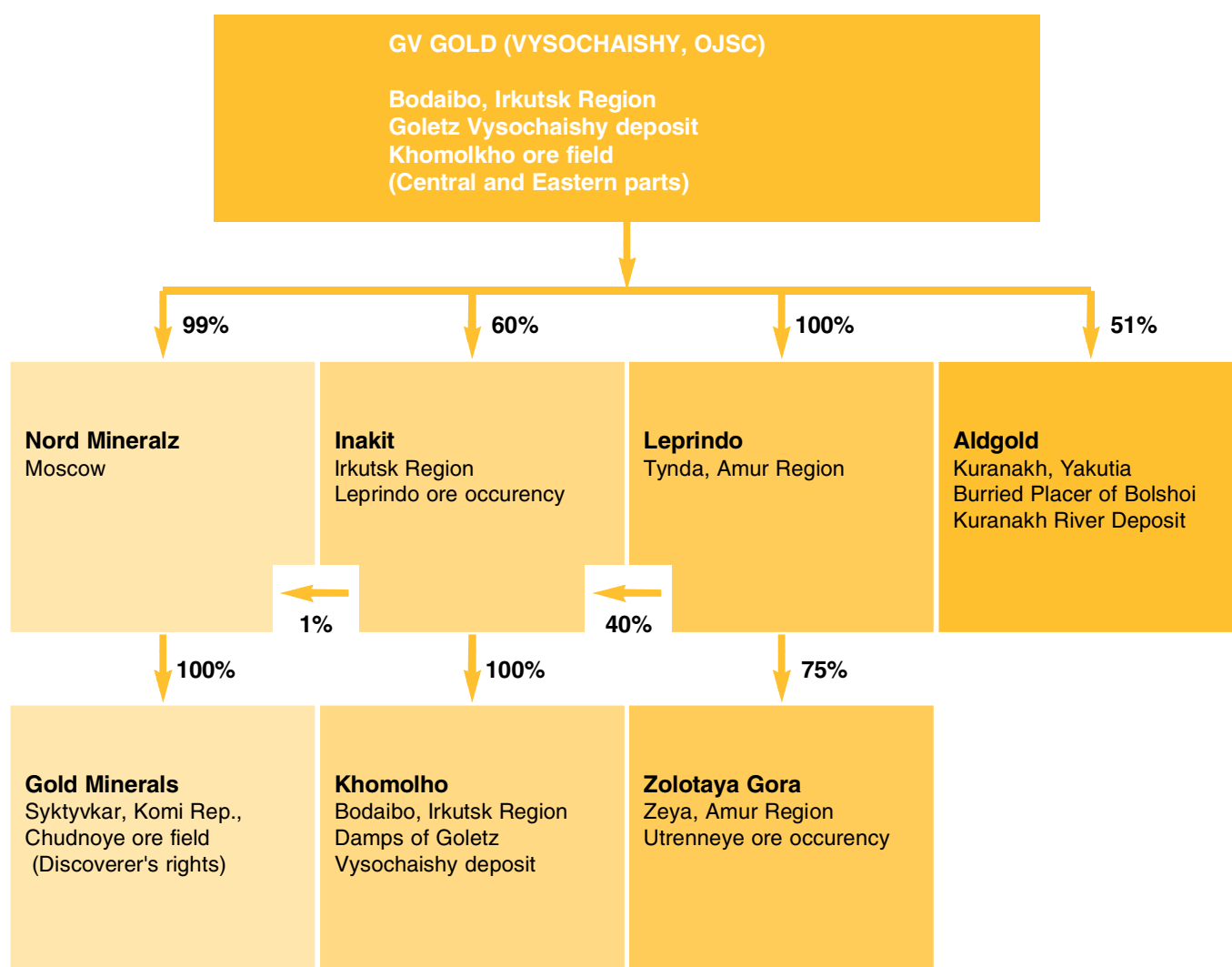
Geography GV Gold's business



General information on the Company

Company Structure

GV Gold (Vysochaishy, OJSC) is the shareholder for several companies specializing in searching, prospecting and commercially developing gold deposits. Its share in subsidiaries' share capital comprises: 51 percent in Aldgold, CJSC ; 100 percent in Leprindo, CJSC; 60 percent in Inakit, CJSC; 99 percent in Nord Minerals, CJSC. In turn, Vysochaishy's subsidiaries control 75 per cent of the charter capital for Zolotaya Gora, CJSC (owned by Leprindo), 100 percent of the Charter capital for Khomolkho, CJSC (Inakit), and 100 per cent of the charter capital for Gold Minerals, Nord Mineralz CJSC.



Note: as of 12/31/2008

Company Projects

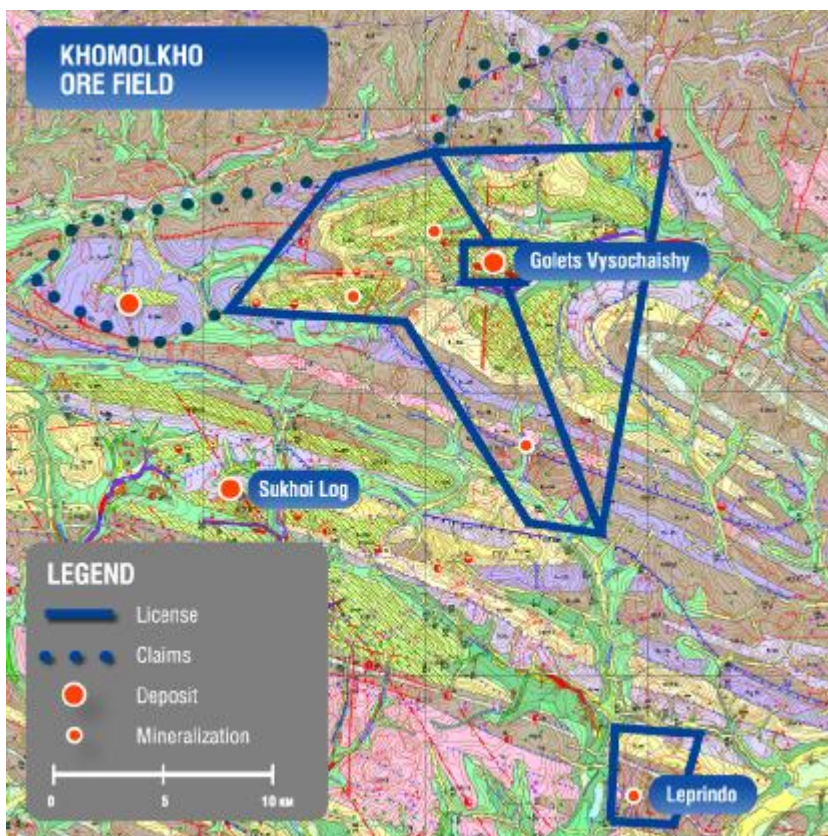
The Irkutsk Project

The Irkutsk Project -Vysochaishy, OJSC

Successfully developing this project remains the key to driving the Company's future growth.

Vysochaishy, OJSC is one of the largest miners in the Irkutsk Region and the principal taxpayer in the Bodaibo Area.

The Irkutsk Project deposits are located within the Bodaibo Area - the heart of the Irkutsk Region's gold mining industry. Up to 10 tons of gold per year are mined at placer deposits in this area.



Project Area

The Goletz Vysochaishy deposit is located 40 km north of the Kropotkin Settlement, 175 km from the town of Bodaibo (the Irkutsk Region). Sukhoi Log, Russia's largest gold deposit, lies 30 km south of Vysochaishy and 10 km west of Kropotkin.

There is well-developed infrastructure oriented towards existing mining facilities in this area:

- the Taksimo railway station is 230 km south of Bodaibo
- the passenger/commercial airport in Bodaibo for AN24 - and AN26-type aircrafts and the river terminal for cargo delivered by the Vitim River
- power generation/supply includes distribution networks for Buryatenergo, OJSC and the Mamakan Hydro Power Plant of Vitimenergo, OJSC
- local communities and mining enterprises are connected with non-paved roads on a year-round basis.

Company Projects

The Irkutsk Project

The enterprises' production facilities include:

THE VYSOCHAISHY operational site (VYSOCHAISHY mining and processing plant), which comprises:

- the pilot gold-extraction plant #1 with an annual capacity of 100,000 tons of ore;
- the gold-extraction plant #2 with an annual capacity of 1,500,000 tons of ore;
- assay/analyses laboratory;
- open-pit mining site;
- construction/assembly department;
- maintenance/machinery department;
- power utilities (with external and autonomous supply facilities);
- non-productive department;
- geological exploration team.

THE BODAIBO production and technical facilities:

- maintenance/machinery department;
- automobile transport department;
- timber/lumber complex;
- construction/assembly department;
- non-productive department.

A 40-kilometer 110 KV power-supply line and voltage reducing 110/6 substations (with 12.6 MW transformer capacity) has been put into operation to provide the enterprise with electricity. There are also reserve diesel power-generating units that have an overall capacity of 6.2MW.

The Company's senior management team and skilled engineering and technical staff, as well as its self-sufficient production infrastructure, allow the Company to efficiently carry out its financial and economic activities and to meet and exceed plans for enterprise development (which have been set by the Company's shareholders).

Stages of development at the Irkutsk Project

1998 - 2000	2001 - 2004	2005 - 2008	2009 - 2016
Stage 1	Stage 2	Stage 3	Stage 4
<p>1998 Company founded, license obtained, exploration began</p> <p>2000 Exploration completed and deposit data confirmed</p>	<p>2001 Pilot plant launched (capacity 100,000 tonnes, or 3,215 mln oz, of ore per annum). First gold produced</p> <p>2002 Design and development work commenced at the GV Gold's main processing plant (initial design capacity of 900,000 tons (28,935 mln oz) of ore per annum); 167 kg of gold produced</p> <p>2003 Pilot plant produced 8,552 oz of gold. Construction launched at the main processing plant; 274 kg of gold produced</p> <p>2004 In April, main plant launched under load. In July, Phase 1 of the main processing plant is operational. 973 kg of gold produced</p>	<p>2005 Start of capacity expansion work at the main plant; 2,029 kg of gold produced</p> <p>2006 Phase 2 of the main processing plant becomes operational; 2,705 kg of gold produced</p> <p>2007 Worked on facility expansion; 3,200 kg gold produced</p> <p>2008 Design work commenced at the third processing plant; 3,657 kg of gold produced</p>	<p>2009 Development work will commence on the third processing plant; 3,600 kg of gold will be produced</p> <p>2016 Processing capacity will increase to 10,000 kg of gold per year</p>

Company Projects

The Irkutsk Project

Mineral Resource Potential of the Irkutsk Project

Deposit (tonnes of gold)	C1+C2	P1	P2	P3	Total
Goletz Vysochaishy	72,5	27,7			100,2
Khomolkho Ore Field (Center)			12.0		12.0
Khomolkho Ore Field (East)			18.0		18.0
Khomolkho Ore Field (West) (claim)				20.0	20.0
Khomolkho Ore Field (North) (claim)				8.0	8.0
Gold placer deposits		0.3			0.3
Leprindo			1.3	14,8	16,1
Goletz Vysochaishy tailings	0.1				0.1
Total:	72,9	27,7	31,3	42,8	174,7



Company Projects

The Yakutia Project

The Yakutia Project - Aldgold Mining Company, CJSC

In February, 2008, based on a decision adopted by the General Shareholders Meeting on January 29th, 2008, (Protocol №OC/B-20 from January 30th, 2008) GV Gold, OJSC acquired a 51% stake in Aldgold Mining Company, CJSC.

The overall purchase price of 550.3 million rubles included 351.3 million rubles for the Company's shares and 199 million rubles to refinance current debt.

The Company's primary asset, the Bolshoi Kuranakh River Buried Placer, is Russia's largest placer gold deposit.

Company profile overview

Aldgold Mining Company, CJSC was established in August, 1997, and was registered by the Republic of Sakha (Yakutia) Justice Ministry.

The Company's shareholders: GV Gold (51% of the Company's charter capital) and other physical entities (49 % of the Company's charter capital).

The Company is guided in its activities by its charter documents and the license that authorizes the Company to use mineral resources "to mine gold at the placer deposit on the Bolshoi Kuranakh River." The License YaKU#01416 BE, which was registered on August 25th, 1997, is valid till August 2012. According to the Licensing Agreement, its term can be extended based on the holder's wishes.

In addition, the Company holds all necessary permission documents for carrying out mining and exploration, including mining and land allotment which will be valid till the license expires.

General information

The Bolshoi Kuranakh River Buried Placer is located in the southern portion of the Sakha Republic (Yakutia), 20 kilometers north of Aldan (the center of the Yakutia gold mining industry) and 490 kilometers south of Yakutsk. Its location follows 25 kilometers along the Bolshoi Kuranakh River valley from the outfall of the Razdolny Stream to the confluence of the Bolshoi Kuranakh River and the Seligdar River.

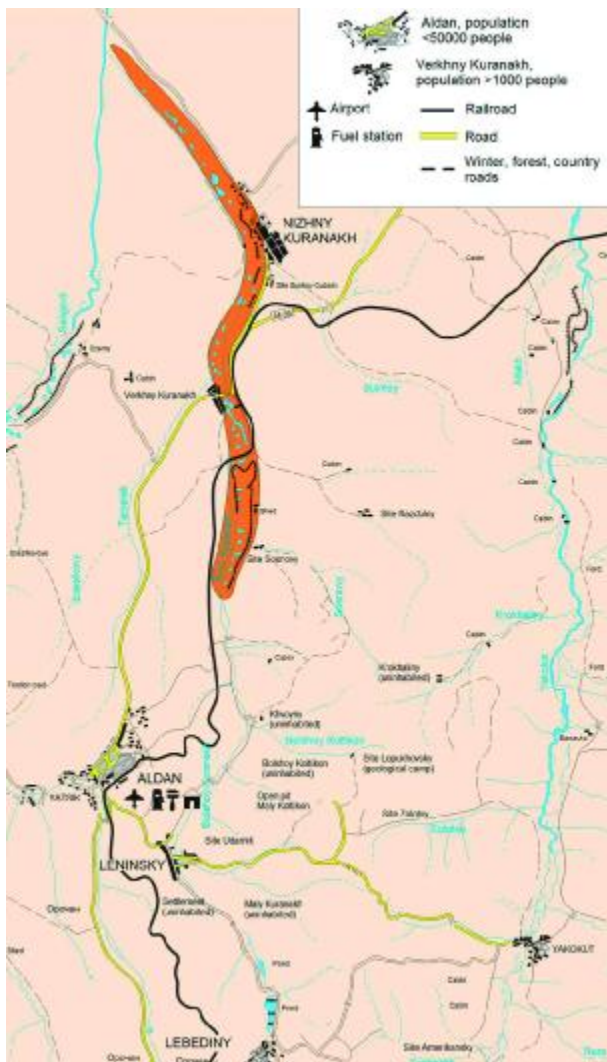
The region in which the deposit is located has a developed infrastructure including railway and automobile transport networks, energy system, building capacities, active mining industry and qualified staff.

Through the airport at Aldan (capable of receiving Yak-40 airplanes) the region is connected by air transport with Yakutsk and other cities. The nearest railway station is situated 3 kilometers to the northwest. The energy supply for the enterprises in the region is provided by the Neryungri-Nizhniy Kuranakh 220 kW electric power line.

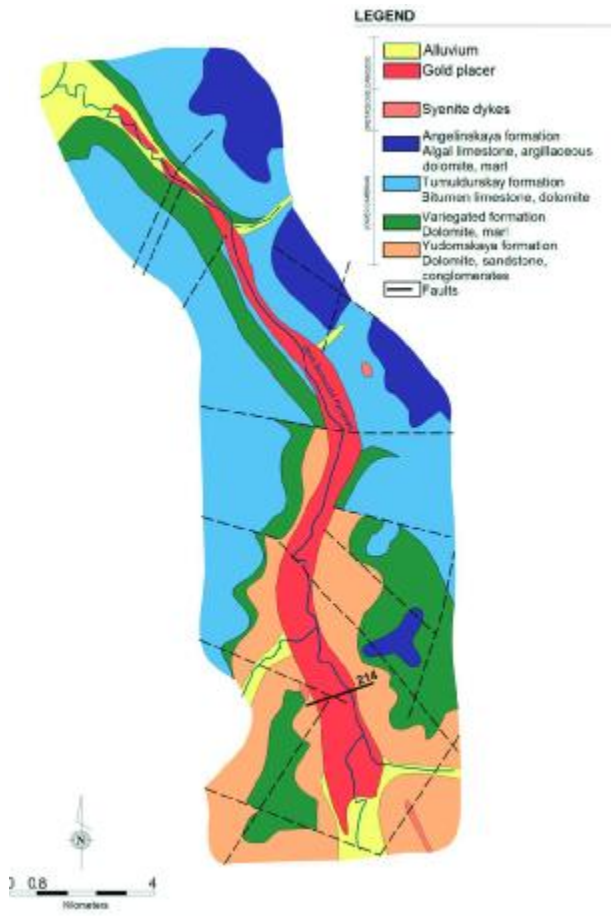
Company Projects

The Yakutia Project

Overview Map of the Project Area



Geological Scheme



Brief geological composition

The Bolshoi Kuranakh River Buried Placer, the Company's main asset, is Russia's largest placer gold deposit. The deposit is represented by the weathering crust material of the Kuranakh group ore deposits, which were re-deposited in the river valley. The deposit is 5 kilometers long, up to 2 kilometers wide and the seam has a height of up to 75 meters.

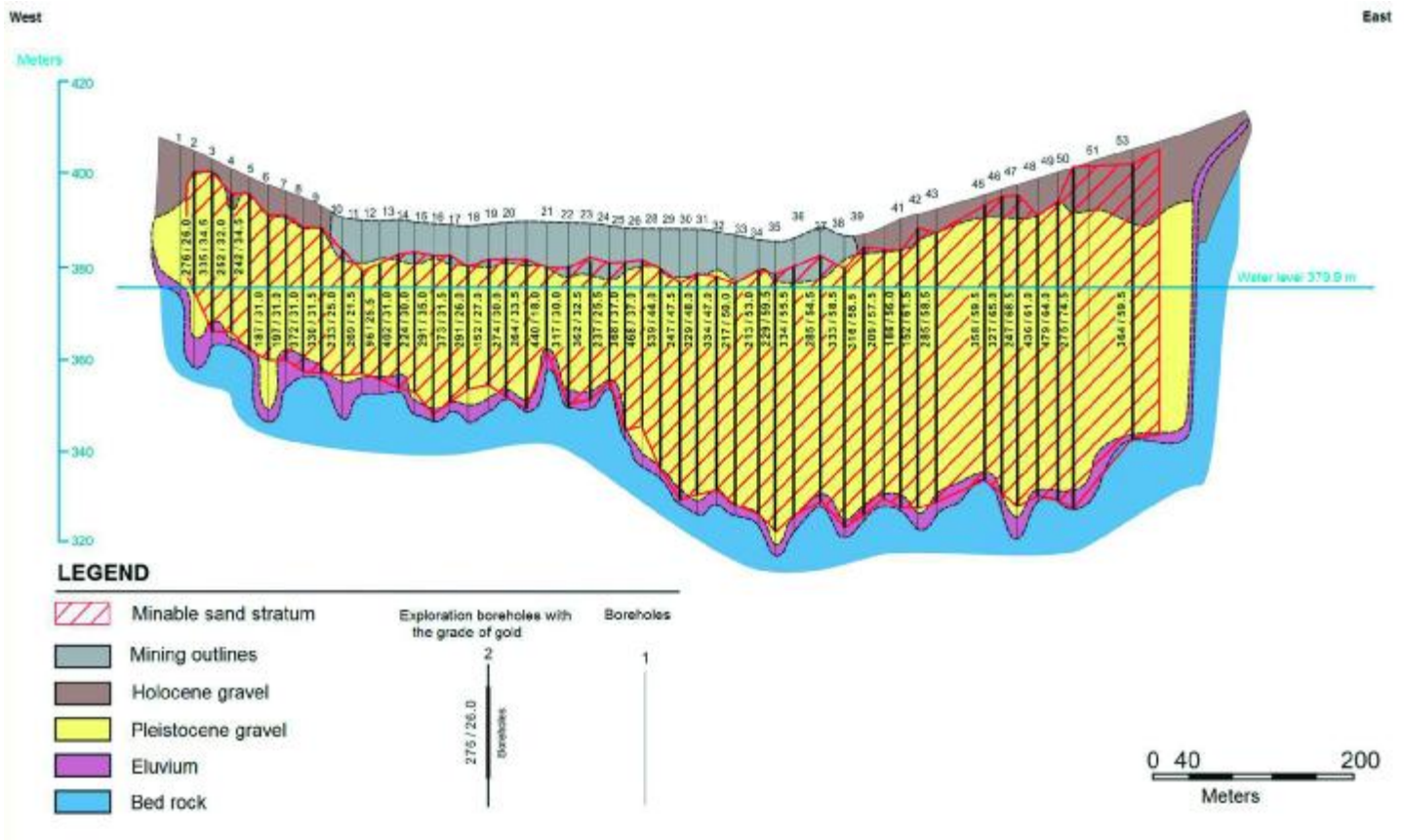
From a geological perspective, the territory under consideration is situated on the northern margin of the central part of the Aldan shield. Archean crystalline schist and gneiss, formed in the conditions of granulite and amphibolite facies of metamorphism from sedimentary and volcanic rocks, are nearly fully overlapped by platform covers. The latter are represented by the heavy thickness of Lower Cambrian carbonate and Lower Jurassic terrigenous sediments. Unconsolidated Neogene/Quaternary formations are located nearly everywhere on the Cambrian and Jurassic rocks.

Beginning in the Neogene period, the primary ore was subject to intensive hypergene transformation. The deposit's transformed ore represents both loose and intensively limonitized sandshale material, inside of which are submerged debris of original rock that have been weathered to a variable extent. The relics of primary ore are distributed sparingly, occurring in some deposits as debris, lumps and blocks of various sizes.

Company Projects

The Yakutia Project

Geological Cross-Section along Line 214



General data on reserves

Final mining parameters for calculating alluvial gravitational gold were adopted by the USSR's State Committee for Reserves in 1987. The Bolshoi Kuranakh River Buried Placer was proven by traditional methods, primarily (79.6%) by drill hole lines of jump drilling type with a diameter of 219 millimeters and, to a lesser extent, 19.2% by core holes. The exploration grid's parameters are 400x40 meters (for C1-category reserves) and 200x20 meters (for B-category reserves).

- The minimum industrial grade for gravitationally extractable gold is 232 mg/m³;
- The minimum industrial grade for gravitationally extractable gold in the associated block is 172 mg/m³;
- The cut off grade for gravitationally extractable chemically pure gold in the sample are 70 mg/m³ for setting the upper boundary of the placer deposit and 150 mg/m³ for setting the lower boundary of the placer deposit;
- The minimum content for gravitationally extractable gold for delineating the placer deposit in the plan is 150 mg/m³.

Gold resources that are extractable by gravitation - accounting for 40-45% of the deposit's overall quantity - total 75 tons (2.4 million oz). Taking into account the tied gold available for extraction via an ore-processing scheme, overall gold reserves at the deposit will reach 180 tons (5.8 million oz).

Company Projects

The Yakutia Project

Resource potential at the Yakutia Project

Reserves (tonnes)	B+C1+C2	P1	Total
Gravity extractable gold	74,9		74,9
Ore gold		87.8	
Total	74.9	87.8	162,7

Brief information on actual mining at the deposit

The Company works the deposit using three dredgers (250 liters) and in two areas of open separate mining. Ore production in 2008, 2007 and 2006 stood at, respectively, 448.8 kilograms, 423.6 kilograms and 376.3 kilograms, with an overall processing volume of 1,600-1,800 m³ of sand.

Recent yearly production levels do not correspond either with the scale of the deposit or its potential (at current rates, the life of the mine stands at approximately 150 years). Therefore, there is a need to introduce new production equipment and to modernize the economic effectiveness of mining the deposit.

To accomplish this, the Zolotoproekt Institute (Novosibirsk City) was engaged to produce a feasibility study to analyze and design new strategies and solutions for the deposit for 2008-2021 and beyond.



Company Projects

The Komi Project / The Amur Project

The Komi Project - Gold Minerals, CJSC

In March 2008, the Company acquired Gold Minerals, CJSC - a specialized geological exploration company that operates in the Komi Republic. This acquisition was completed by acquiring 100% of Nord Mineralz, CJSC' shares. The acquired company was the sole shareholder of Gold Minerals, CJSC.

Currently, Gold Minerals, CJSC serves as the methodological management center for the Company's geological exploration subsidiaries in both the Yakutia Republic and the Irkutsk Region. Gold Minerals, CJSC also acts as the primary operator to conduct prospecting evaluation in the Amur Region. The Company's team of geologists is highly professional and has exploration experience, as well as a track record of successfully getting reserves approved by the Russian State Committee for Reserves.

Given the Komi Republic's high potential for gold ore, the Company plans to participate in auctions organized by the Komi Republic and also intends to organize its own exploration projects in the area.



The Amur Project - Leprindo, CJSC

In February 2008, GV Gold, OJSC launched its initial geological exploration work in the Amur Region. The site for exploration and appraisal is the "Utrenneye" ore occurrence, with a total area of 40 sq. kilometers. The site is located in the Zeysk region of the Amur Region on the upper part of the Uldegit Bolshoi River Basin. Total geological resources at the site are estimated to be 10 tons of gold.

The district center - the town of Zeya - is located 140 kilometers from the area along the motor road linking the Beregovoy settlement and the town of Zeya. The Beregovoy settlement - 25 kilometers from the exploration area - is the nearest inhabited area to the project. The large Zeysakaya hydro-electric power plant is located in close proximity to the town of Zeya. The Uldegit transformer sub-station (110 x 35 x 6KB) is located 10 km away from the area.

Company Projects

The Amur Project

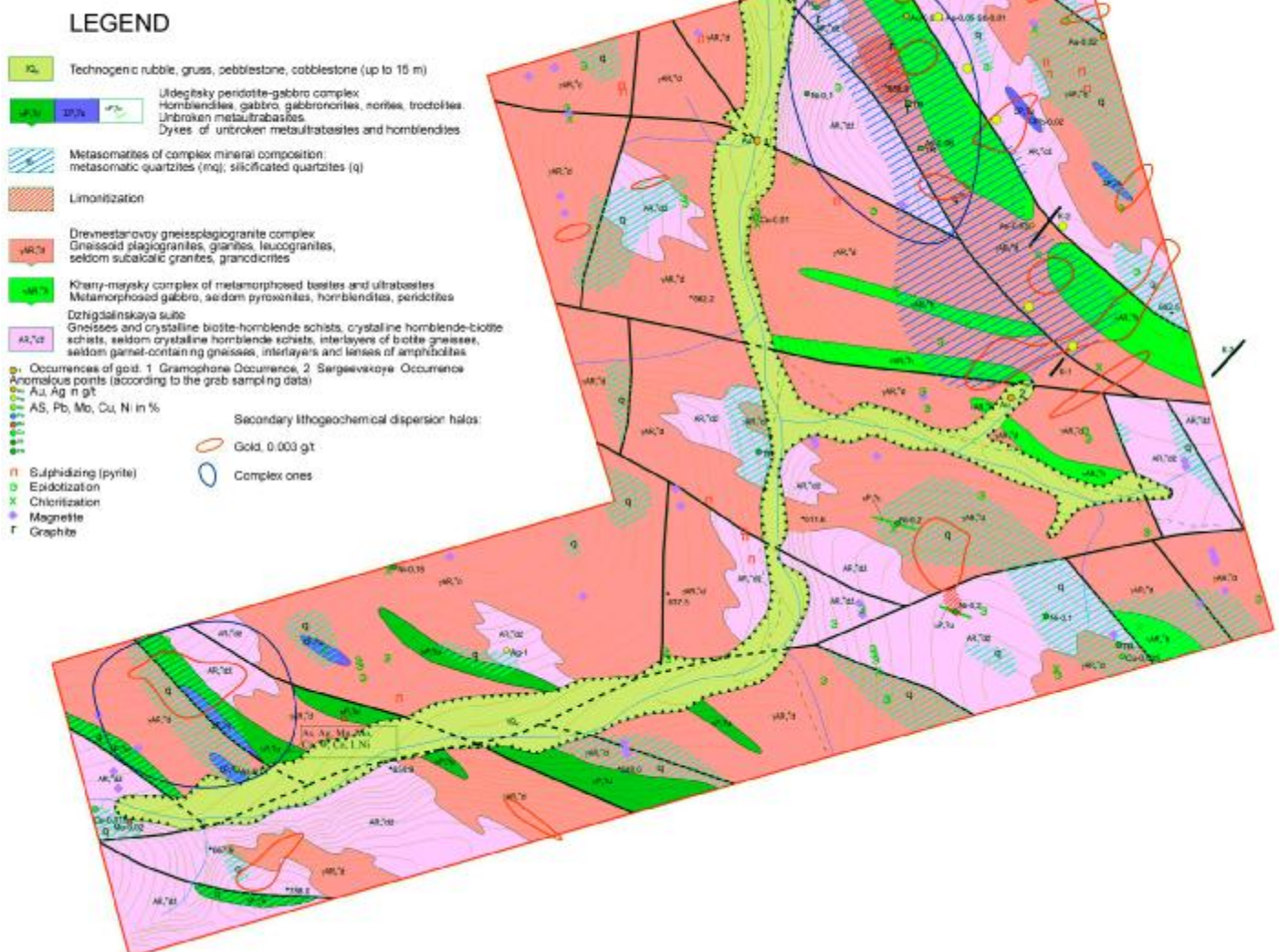
The license for using sub-surface resources (№BLG 01973 BP) is held by Zolotaya Gora, CJSC and is valid until December 2010.

Leprindo, CJSC which is solely owned by GV Gold, OJSC, holds 75% of the shares of CJSC Zolotaya Gora, CJSC.

During 2008, the Company conducted active geo-chemical exploration (using the secondary dispersion halo method) at the Utrenneye project. In addition, the Company also carried out geo-physical work at the site (using electrical exploration by sub-surface symmetrical induced polarization electrical profiling, magnetometry, ground gamma survey), geological traverses and mining operations.

The above-mentioned exploration activities displayed feldspathic quartz metasomatites with sulfide mineralization and high gold content (up to 6.4 grams per ton). The work also showed contrast geo-chemical and geo-physical anomalies. As a result of work at the site, the Company increased the forecast potential of the area to 59 tons of gold.

Geological Map of the Utrenny Site
Scale 1:20000



Shareholders / Board of Directors

Shareholders

GV Gold's shareholders, as of December 31st, 2008, are several individuals, the Brishurst Ltd. Company and Blackrock Ltd. Group.

Board of Directors

On June 30, 2008, the Annual General Meeting (AGM) of the Company's shareholders elected the Board of Directors.

The Board of Directors has 7 members, including a Chairman and two Independent Directors (there were no changes in the Board's composition during the reported period).



Sergei V. Dokuchaev - Chairman of the Board of Directors

Chief Executive Officer of JSCB Lanta-Bank (CJSC)

Education: 1) The Kuibyshev Civil-Engineering Institute in Novosibirsk
Speciality: Industrial and Civil Construction
2) The Plekhanov Russian Academy of Economy
Speciality: Finance and Credit

Age: 51

Equity stake - 22.19%, ordinary shares - 22.19%



Natalia V. Opaleva - Member of the Board of Directors

Deputy Chairman of the Management Board of JSCB Lanta-Bank (CJSC)

Member of the Board of the Audit Committee, GV Gold

Education: Lomonosov Moscow State University, Economics Department

Post-Graduate: Lomonosov Moscow State University, Economics Department

Speciality: Economic Sciences

Ph.D. in Economics

Age: 39

Equity stake - 22.19%, ordinary shares - 22.19%



Valerian A. Tikhonov - Member of the Board of Directors

General Director of LT- Resource, CJSC

Education: Novosibirsk State University

Speciality: History

Age: 57

Equity stake - 22.19%, ordinary shares - 22.19%

Board of Directors

Board of Directors



Sergey A. Vasilyev - Member of the Board of Directors

General Director of GV Gold, OJSC
 Education: Ordzhonikidze Moscow Geological Exploration Institute
 Speciality: Geological survey, prospecting and exploration
 Age: 51
 Equity stake - 0.96%, ordinary shares - 0.96%



Vladimir S. Kochetkov - Member of the Board of Directors

No positions in other entities
 Education: Irkutsk Polytechnic Institute
 Speciality: Mining Electric Engineering, Development of Mineral Deposits
 Age: 68
 Equity stake - 5.76%, ordinary shares - 5.76%



Michael Allan Price - Member of the Board of Directors (Independent Director)

Counselor for Resource Capital Private Company (Denver, USA, Perth, Australia)
 Independent Director of Central Asian Metals Private Company (UK),
 Director of Ridgeway Mining (UK)
 Managing Director of Canisp Consulting, Ltd. (UK)
 Independent Director of Sumatra Copper and Gold Private Limited Liability Company
 (London, UK)
 Member of the Board of the Audit Committee, GV Gold
 Education: University College Cardiff
 Speciality: Mining Industry
 Doctor of Science
 Age: 53
 Equity stake - 0%, ordinary shares - 0%



Reinhard Joseph Schmoeltz - Member of the Board of Directors (Independent Director)

Independent Investment Counselor at RLI Investment Company (London, UK)
 Member of the Management Board of Lombard SA, CJSC (Luxemburg)
 Member of the Board of the Audit Committee, GV Gold, OJSC
 Upper High School, Munich
 Banking Special School, Munich
 Age: 66
 Equity stake - 0%, ordinary shares - 0%

Dividend Policy / Social Policy

Dividend Policy

The Company's Board of Directors approved the Regulations on the Dividend Policy (Protocol #SD/V -30 on January 9th , 2007).

In full compliance with Article 4.2 of this Regulation (which determines both the size of dividends per share of common stock, as well as the percentage of net profits to be distributed as dividends), the Company's Board of Directors offers recommendations to the General Shareholders Meeting. One of the primary considerations is that, as a rule, not less than 25 percent of the Company's net profits (defined based on financial reporting done in accordance with Russian Federation legislation). The dividend is also determined in part by taking into consideration the Company's financial results during the accounting period, as well as capital expenditures and other considerations.

Social Policy

GV Gold is a socially responsible Company. This is illustrated by the steady growth and stability in its employees' incomes, as well as improved standards of living and public health services that the Company provides in areas in which it operates.

During the reported period, the Company completed and put into operation numerous social infrastructure facilities, including cottages housing 8 people, as well as a new cell phone station.

The functioning communal facilities built and operated by the Company align with the needs of the enterprises and meet all sanitary-hygienic requirements.

Two new fitness centers were equipped with modern training equipment and sports facilities to contribute to employees' overall recreation and rehabilitation.

Multi-profile medical examinations were organized for the Company's employees. These procedures were conducted with the assistance of skilled specialists from the Bodaibo Central Hospital and the Irkutsk Regional Hospital. Based on results from these examinations, several employees were sent to local sanatoria and resorts for rest and rehabilitation.

At its local subsidiaries, the Company has launched long-term staff development programs.

In accordance with its license - which it received in 2005 - the Company offered professional training and skill development courses in 13 gold-mining and ore concentration-related specialities in corporate training classes.

Chapel of St. Great Martyr Varvara (Patroness and Protectress of all miners). Built at GV Gold's site in Bodaibo area under the blessing of Vadim - the Orthodox Church Hierarch of Irkutsk and Baikal region.



Labor Protection and Production Safety

Workplace Safety

Working conditions for all of the Company's production workers meet all best-practice health and safety requirements. These standards are observed when the Company develops its deposits, as well as when it operates its mines and tailings and dumps.

Special attention is paid to production safety issues and to ensuring comfortable working conditions for the Company's employees. GV Gold also works to mitigate any potential negative environmental impact that it may cause as a result of its production processes.

During the reported period, there were no serious incidents involving the Company caused by either a production process deformation, equipment breakdown or prolonged inactivity of technical facilities or the destruction of any buildings. The number of work-related traumas was lower than the sector average and was also below last year's figure. To minimize production risks and upgrade technological safety, the filtering compartment was upgraded and the technological transport process was automated.

All newly hired engineering staff have received production safety and resource protection certification. Previously hired employees have been required to pass a scheduled examination in this area.

Certification of the Company's work sites - to ensure appropriate labor conditions - is carried out by the Company's specialists working in conjunction with Rospotrebnadzor (the Russian State Customer's Inspection) experts to assess the potential impact of harmful and/or dangerous production factors.

In the context of production control, 22 inspections were arranged by the Company's chief specialists to ensure the observation of production safety requirements. An additional five check-ups were conducted by the Irkutsk Inter-regional Department of the Technological and Ecological Inspection of Rostekhnadzor (the Russian Technical Supervisory Authority). None of the aforementioned check-ups revealed any serious violations of production safety norms.

The Company spent at a minimum RUR 4,863,800 on production safety measures, including: RUR 2,524,000 for individual protection devices and special protective equipment.

The Company's activities, which are designed to improve production safety and upgrade labor protection standards, are fully in line with the Federal Law on Production Safety for Hazardous Production Facilities and regulations set forth by the Federal Service on Ecological, Technological and Nuclear Supervision.



Environment Protection

Environment Protection

All of GV Gold's production activities are carried out in strict compliance with applicable Russian Federation environmental protection legislation, including regulatory requirements that define the maximum admissible amount of seepage and run-off for land, water and air. Heightened attention is paid to issues such as: production safety, the creation of comfortable working conditions, labor safety and environmental protection.

The measures that the Company undertakes in the context of mining and environmental monitoring meet all standards and requirements laid out by Russian legislation, and additionally, help to minimize negative environmental impacts caused by the Company's primary and auxiliary processes.

Environmental protection measures are implemented in full and in a timely manner at the Company's working sites, including scheduled check-ups of the Company enterprises in the aspect of air pollution, control sampling and lab analyses of surface and ground water, registration and the safe placement and utilization of hazardous waste/discharge.

Ever since the Company's production was launched on the basis of discharge-free technological water turnover, industrial spillage has stopped and negative impacts on water resources have been minimized. Communal discharge undergoes biological purification at STEL90-type units; this discharge is then used in the technological process.

Potential environmental impact is regulated by a number of local normative acts including:

- 1 Correction of the project of standards for forming of waste and limits on their disposal due to broadening of ore production up to 1600 tons per year, was given the limit for disposal of production and consumption waste - registration number № OOS - 138 from August 25, 2008; is valid the license in performance of activities of handling dangerous waste № 38MO04/0015/L;
- 2 Conducted assessment of the sources of emission pollutants into the atmosphere, including sources located at the Bodaibo production base - registration № 23 - 5648, permission on emission of atmospheric pollutants and waste disposal;
- 3 The Company has a license for water usage IRK 00153 Tr/vDIO and the agreement on the usage of water objects (surface water objects);
- 4 Developed a project for the maximum permissible emission (conclusion of Rostekhnadzor № 01-50/1755 from July 13th, 2005 valid through July 1st, 2010);
- 5 Developed a project for the maximum permissible emission of dredge № 6 (which is currently in follow-up revision upon commentaries of Rostekhnadzor of the Yakutia Republic);
- 6 Developed a permissible release standards project (which is currently being considered and coordinated by the Aldan Inspectorate for Environmental Protection);
- 7 Developed a project for normative waste production and limits on their disposal (conclusion of Rostekhnadzor № 01-10/1274 of May 11th, 2006).

All water usage is made in accordance with a new water code which was agreed upon with the Department for Water Relations under the Ministry of Environmental Protection of the Irkutsk Region and the Sakha Republic (Yakutia).

GV Gold, OJSC carries out all payments connected with environmental protection in a timely and complete manner in full accordance with applicable Russian legislation. Payments for the full year on average total 4.8 million RUR.

GV Gold 2008 Results

During the reported period, the Company achieved all of its key planned tasks in the areas of developing its mineral resource base and putting new capacities into operation. The Company also reached its goal for the amount of gold mined and revenues realized from gold sales.

Production Highlights

GV Gold Group

Production highlights

Indices	Units	2008, actual	2007, actual	%
Wysochaisky Mining and Processing Plant (Irkutsk Project)				
Stripping	Cu.m'000	873,3	974,2	89.6
Unconditioned ore	Cu.m'000	292,1	324,2	90.1
	Ton'000	786,5	870,3	90.4
Ore mined	Ton'000	1 166,6	1 235,0	94.5
Ore processed	Ton'000	1 254,1	1 158,4	108.3
Average gold content in ore	Grams per ton	3,48	3,34	104.2
Gold recovery	Percent	81,72	82,53	99.0
Gold produced	kg	3 557,2	3 200,3	111.2
	oz.'000	114,4	102,9	111.2
Gold sold	kg	3 581,5	3 193,4	112.2
Silver sold	kg	703,2	496,7	141.6
Khomolkho (Irkutsk Project)				
Gold produced	kg	99,9	-	-
	oz.'000	3,2	-	-
Gold sold	kg	99,9	-	-
GDK Aldgold (The Yakutia Project)				
Gold produced	kg	448,8	423,6	105.9
	oz.'000	14,4	13,6	105.9
Gold sold	kg	470,0	399,9	117.5
Total, Wysochaisky Group				
Gold produced	kg	4 105,3	3 200,3	128.3
	oz.'000	132,0	102,9	128.3
Gold sold	kg	4 151,4	3 193,4	130.0

GV Gold 2008 Results

Production Highlights

The Irkutsk Project (Vysochaishy, OJSC)

Development of the Goletz Vysochaishy deposit is carried out simultaneously at two sites (referred to as the "Eastern" and "Western"), characterized by a designed depth of up to 165 m. and a stripping ratio index of 1.2 cu. m. per ton.

The pit design matches commonly accepted standards, and the development implies a need for excavators and dump trucks.

At present, the enterprise possesses a sufficient range of mine transport facilities to successfully implement the Company's development program, including: ore extraction, strip pit removal and steady growth of tailings dumps. Separate vehicle fleets were established for ore mining and for transporting overburden rocks to the site's dumps.

In elaboration of Development Program, results of block modeling were implied approved by usual resource estimation methods, as well as building a 3-D model for the quarry with Gemcom and Whittle software.

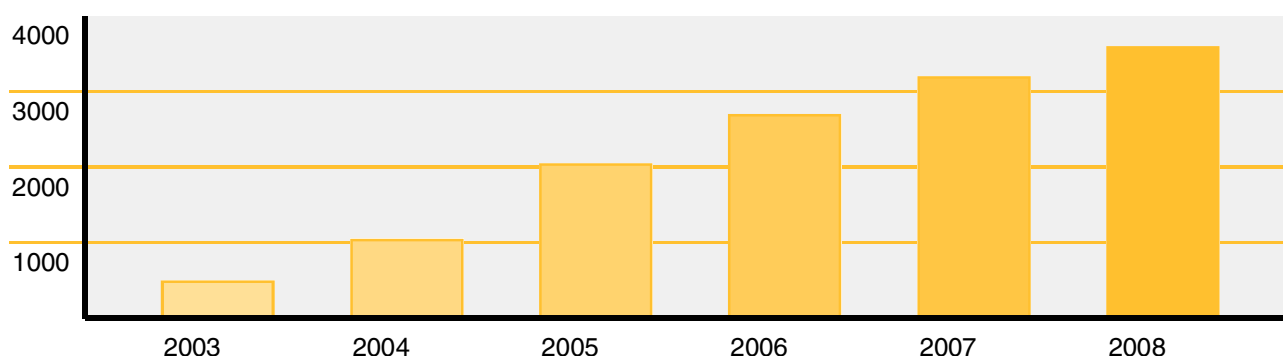
In 2008, the volume mined at the strip pit stood at 873,300 cu. m., whereas unconditioned ore equaled 292,100 cu. m. and total ore mined was 1,166,600 tonnes.

In 2008, as in previous years, the Company experienced steady growth across all the key indicators:

Production highlights

Years	Total material moved, '000 m3	Ore mined, '000 tonnes	Ore processed, '000 tonnes	Gold head grade, g/t	Recovery rate (%)	Gold production (kg/'000 oz)
2003	46,1	97,3	97,3	3,80	74,3	274,3
2004	168,5	388,5	338,5	3,56	80,8	972,7
2005	528,5	661,8	669,5	3,74	81,0	2 028,5
2006	739,0	988,5	971,0	3,4	81,3	2 705,0
2007	1 298,4	1 235,0	1 158,4	3,34	82,5	3 200,3
2008	873,3	1 166,6	1 254,1	3,48	81,72	3 557,2
TOTAL	3 653,8	4 537,7	4 488,8			12 738,0

Gold production, kg



GV Gold 2008 Results

Production activities

The Yakutia Project (Aldgold Mining Company, CJSC)

2008 production highlights:

Indices	Unit	2008	2007	%
Aldgold Mining Company, CJSC				
Development operations	th.m3	3 359,0	4 075,0*	82,4
Sands processing	th.m3	2 604,9	2 521,0*	103,3
Average grade	g/ m3	0,172	0,168*	102,4
Gold production	kg	448,8	423,6*	105,9

* For reference only. Aldgold was bought by the Company in 2008.

In 2008, the Company increased sand washing (a 3.3 percent growth rate from the previous year); and during the same period, gold production rose 5.7 percent.



GV Gold 2008 Results

Resource Base Development

Irkutsk Project (Vysochaishy, OJSC)

To expand its mineral resource base, the Company participated in and won the tender for the gold-bearing site the "Eastern Section of the Khomolkho ore node." Estimated ore gold reserves at the newly acquired site total 18 tons, and the area covered by the exploration license is about 168 sq. kilometers.

Gold Minerals, Vysochaishy's subsidiary exploration company, continued to carry out surveys on the flanks of the Goletz Vysochaishy deposit, as well as at the most prominent sites within the Khomolkho ore field.

An interim results report on survey work carried out at Leprindo defined that licensed area's resource potential as 16 tons of gold in the P2 + P3 categories.

The Yakutia Project (Aldgold Mining Company, CJSC)

During the reported period, a plan for exploration work at Site #4 was established for the 2009-2011 period. In addition to planning, preliminary activities were carried out to enable further prospecting work in 2009. The Company's plan was approved by both State and ecological evaluation.

The Amur Project (Leprindo)

In the context of this project, field research was carried out at the Utrenneye Ore Occurrence in the Amur Region (Zolotaya Gora, LLC).



GV Gold 2008 Results

New Production Capacities Brought On-Line

In 2008, in accordance with the GV Gold's long-term development program, which targets annual output of 15 tonnes (500,000 oz.) by 2016, the following activities were carried out:

The Irkutsk Project (Vysochaishy, OJSC)

Construction/maintenance work was successfully accomplished and new production units were installed at the gold concentration plant, including:

- an additional ball mill MShR 3.2 x 3.6;
- a high-speed radial concentrator;
- a set of gravity equipment which will help increase output at the processing facility to 1,600,000 tonnes of ore annually (the initial design capacity was 1,000,000 tonnes).

The Company acquired an additional extraction complex, with two 45-ton BelAZ dump trucks, a SE-1000 hydraulic excavator with 6 cu.m. bucket, three D-155 heavy bulldozers and a SM-760 high-efficiency drilling device.

In the context of improving living conditions for the employees, the Company:

- started construction on the fourth comfortable hostel;
- completed construction on three cottages;
- put into operation a sanitary/communal complex with recreation/rehabilitation facilities.

A feasibility study on new prospecting conditions at the Goletz Vysochaishy deposit was finalized (and approved by the State Committee for Reserves, on September 16th, 2008). During IH 2009, the Company plans to reassess the deposit's reserves and prove them officially.

Taking into account the growth in balance reserves and the expansion of the existing quarry, the Company signed a contract with JSC Vostochnaya Tekhnika to purchase a new stripping removal/transportation complex by Caterpillar (the world's leading producer). Two D 9R bulldozers and a 375 C hydraulic excavator were delivered under the contract in December, 2008.

During the reported period, the fourth diesel generator was installed and put into operation. The generator increased reserve power supply capacity to 6.2 MW, and with its addition, the Company is able to meet all of its energy needs.

The Company began to prepare for the construction of the third gold-concentration plant with an annual design capacity of 3,500,000 tonnes.

GV Gold 2008 Results

New Production Capacities Put into Operation

The Yakutia Project (Aldgold Mining Company, CJSC)

In 2008, machinery used in the Company's gold mining program, included: 3 dredges with 250-liter buckets, 3 stepping excavators - ESh dredgelines with 6 cu. m. buckets, 4 heavy bulldozers (T-500, T-35.01, D 355A), 6 light bulldozers (T-170/180), a refining complex, and a mobile refining unit.

The Company spent RUR 78,321,200 to acquire fixed assets and to put them into operation.

Gold Mining

Gold mined	2008 (Kg)	2007 (Kg)	(%)
The OJSC Vysochaishy Group	4 105,9	3 200,3	+ 28,3
The Irkutsk Project (OJSC Vysochaishy, CJSC Khomolkho)	3 657,1	3 200,3	+ 14,3
The Yakutia Project (Aldgold Mining Company, CJSC)	448,8	423,6	+ 15,2



GV Gold 2008 Results

Financial / Business Highlights

Irkutsk Project (Vysochaishy, OJSC)

In 2008, the Company's financial and business results were characterized by growth in gold production and substantial increase in production efficiency.

Indices	Units	2008	2007	Absolute change (+;-)	Relative change %
Gold sales	kg	3 581,5	3 193,4	388,1	112
Revenues	RUR'000	2 499 756	1 836 206	663 550	136
Including:					
Revenues from gold sales	RUR'000	2 491 932	1 830 875	661 057	136
Cost of goods sold	RUR'000	865 053	841 222	23 831	103
Gross profit	RUR'000	1 634 703	994 984	639 719	164
Management expenses	RUR'000	138 088	76 188	61 900	181
Total costs	RUR'000	1 003 141	917 410	85 731	109
Cost of sold gold	RUR per gram	280,1	287,3	-7,2	97,5
Net profit (loss) by the end of the reported year	RUR'000	1 106 055	634 971	471 084	174
Profitability of sales in net profit	%	44	35	9	126
Long-term indebtedness	RUR'000	0	0	0	0
Short-term indebtedness	RUR'000	251 052	0	251 052	0
Salary fund	RUR'000	313 356	230 620	82 736	136
Average monthly wages per employee	RUR'000	40,4	31,3	9,1	129
Labour productivity	kg per person	5,5	5,2	0,3	106
Volume of goods produced per 1 employee	RUR'000	3 864	2 991	873	129
Headcount		647	614	33	105

GV Gold 2008 Results

Financial / Business Highlights

Revenues and Sales

In 2008, the Company received revenues totaling RUR 2,549,309,000. The principal portion of revenues (98.0% - RUR 2,499,756,000) came from the sale of precious metals; the contribution from other sources was insignificant (RUR 49,553,000 or just 2 percent of the total).

Total revenues from the precious metals sales during the reported period increased 1.4 times compared to 2007. This was due to both growth in gold mining (1.1 times) and an increase in gold prices (1.2 times).

Revenues from Product Sales

Indices	Units	2008	2007	Absolute changes (+/-)	Relative changes (y-o-y %)
Gold produced	kg	3 557,2	3 200,3	356,9	111
Cumulative production since project startup	kg	12 924,5	9 367,3	3 557,2	138
Price for 1 gram of gold	RUR per gram	695,8	573,3	122,5	121
Product sales					
Chemically pure gold	kg	3 581,5	3 193,4	388,1	112
Revenues from gold sales	RUR'000	2 491 932	1 830 875	661 057	136
Silver	kg	703,2	496,7	206,5	142
Revenues from silver sales	RUR'000	7824	5 331	2 493	147
Total revenues from goods sold	RUR'000	2 499 756	1 836 206	663 550	136
Other revenues	RUR'000	49 553	19 069	30 484	260
Total revenues	RUR'000	2 549 309	1 855 275	694 034	137

Gold deliveries in the form of Dore beads (of 800 - 850 fineness) from the Central Gold-Accepting Cash Office were carried out by Rosinkas, Irkutsk Regional Encashment Department.

Dore processing is performed under the refining/bead production Contract # 1665/06 as of October 21st, 2006 signed with the Krasnoyarsk V.N. Gulidov Non-Ferrous Metal Plant, OJSC/Krastsvetmet JSC. In 2008, refining expenses totaled RUR 15,712,000 or 0.63 percent of the total sold gold cost.

All gold was sold by Lanta-Bank under contracts for the sale and/or purchase of gold bullion (#327/07-OR as of December 26th, 2007 and #329/07-OR as of January 14th, 2008).

The sales price of 1 gram of gold was defined by London price fixing in RUR/US\$ exchange rate set by the Russian Central Bank with a bank commission fee subtracted from that total. The bank fee was set at 0.5 percent of the gold price; and the average price of gold sold by the Company during the reported period was RUR 695.8 per gram.

GV Gold 2008 Results

Financial / Business Highlights

Expenses and Costs

The Company's expenses are primarily made up of operational costs arising from mining and the mining and upgrading of ore.

Preparation works total gold mining and production expenses grew insignificantly in 2008 (a 9% increase compared to the previous year), due to the decreased volume of mining work.

In 2008, the high Russian inflation rate affected the Company's mining operation costs.

The cost of stripping per cubic meter increased to RUR 90.3 (54% more than in 2007), primarily due to price increases for fuel, explosives and spare parts.

Per ton mining expenditures totaled RUR 37.1 (45% more than in the previous year), again primarily due to increased prices for fuel, explosives and spare parts.

Expenditures per tonne of processed ore equaled RUR 470.6, 14% less than in 2007 due to lower leasing payments.

Indices	Units	2008	2007	Absolute change (+/-)	Relative change (y-o-y %)
Cost of stripping, per cu. meter	RUR	90,3	58,7	31,6	154
Cost of ore mined, per tonne	RUR	37,1	25,6	11,5	145
Cost of ore processed, per tonne	RUR	202,7	199,6	3,1	102
Total cost of mined and processed ore, per tonne	RUR	341,7	292,7	49	117
Total shop expenses of processed ore, per tonne	RUR	470,6	544,2	-73,6	86
Shol cost of gold, per gram	RUR	165,9	197,0	-31,1	84
Total cost of gold sold, per gram	RUR	280,1	287,3	-7,2	97

Cost breakdown

Expenses items	Indicators, RUR'000		Changes 2008/2007		Share of expenses, %	
	2008	2007	Absolute changes (+/-)	Relative changes (y-o-y %)	2008	2007
					2008	2007
Auxiliary materials	167 593	145 867	21 726	115	16,7	15,9
Fuel	108 147	72 254	35 893	150	10,8	7,9
Power	39 794	34 400	5 394	116	4,0	3,7
Wages	270 738	210 332	60 406	129	27,0	22,9
Uniform Social Tax	48 019	43 815	4 204	110	4,8	4,8
Depreciation	73 286	65 563	7 723	112	7,3	7,1
Rent	41 784	43 219	-1 436	97	4,2	4,7
Leasing	30 444	136 813	-106 369	22	3,0	14,9
Refining	15 744	13 675	2 069	115	1,5	1,5
Taxes	159 407	118 219	41 188	135	15,9	12,9
Other	48 185	33 253	14 932	145	4,8	3,6
Total	1 003 141	917 410	85 731	109	100,0	100,0
Including: Production costs	865 053	841 222	23 831	103	86,2	91,7
Management Expenses	138 088	76 188	61 900	181	13,8	8,3

GV Gold 2008 Results

Financial / Business Highlights

Profit and profitability

In 2008, Company performance resulted in a net profit of RUR 1,106,055,000 - a 74% (RUR 471,084,000) increase compared to the previous reporting period.

Indicators	2008	2007	Absolute changes (+/-RUR'000)	Relative changes (y-o-y %)
Incomes and expenses arising with common activities *	2 499 756	1 836 206	663 549	136
Cost of sold goods, products, works, and services	-865 053	-841 222	-23 831	103
Gross profit	1 634 703	994 984	639 719	164
Management expenses	-138 088	-76 188	-61 900	181
Profit (loss) from sales	1 496 615	918 796	577 819	163
Interest to be received	44 940	1 358	43 582	3309
Interest to be paid	-28 025	-14 974	-13 051	187
Other income	58 120	20 656	37 464	281
Other expenses	-105 558	-75 277	-30 281	140
Profit (loss) before taxation	1 466 092	850 559	615 533	172
Deferred tax assets	2034	4 618	-2 584	44
Deferred tax liabilities	-14 449	-7 190	-7 259	201
Current profit tax	-347 398	-212 745	-134 653	163
Tax penalties	-224	-271	47	83
Net profit (loss) within reported period	1 106 055	634 971	471 084	174

Before tax profit during the reported period increased by RUR 615,533,000, which was 1.7 times higher than the same indicator in 2007.

Indicators	2008	2007	Absolute changes (+/-RUR'000)	Relative changes (y-o-y %)
Revenues from sales of goods	2 499 756	1 836 206	663 549	136
Total cost of goods sold	1 003 141	917 410	85 730	109
Profit from sales of goods	1 496 615	918 796	577 819	163
Profit before taxation	1 466 092	850 559	615 533	172
Net profit	1 106 055	634 971	471 084	174
Profitability of expenses, %	149,2	100,2	49,0	149
Profitability of sales on profit from sales, %	59,9	50,0	9,9	120
Profitability of sales on net profit, %	44,3	34,6	9,7	128

GV Gold 2008 Results

Financial / Business Highlights

During the reported period, the Company increased profits from both sales and business activities, which resulted in positive values for all profitability indicators presented in the above table.

In 2008, the average sales price of gold was 695.8 RUR/g, whereas the overall cost of sold gold totaled 280.1 RUR/g, which was 2.5 times lower than its estimated selling price (RUR 0.40 of cost per RUR 1.00 of sold product).

Analysis of the Company's financial position and its liabilities

The Company's 2008 balance sheet displayed good structure and showed no excessive indebtedness toward either the Russian government or its employees.

- The balance sheet total increased by RUR 1,232,100,000 within a year. By January 1st, 2009, the total book value of assets had increased from RUR 1,791,400,000 to RUR 3,023,500,000.
- The growth rates for current assets (RUR 595,000,000) was slightly lower than that of non-current assets (RUR 637,000,000) due to the launch of facilities that are still being constructed and to the increase in long-term investment in other companies' stock.
- By the end of the year, the share of own assets in the balance sheet totaled 84.5 percent. The high value for this index is very important since it illustrates the Company's strong liquidity and independence from creditors.

Audit of Financial Reports

Financial reporting documents of the Company for 2008 were audited by BDO Unicon VostSibAudit, LLC (Irkutsk, State Register # IRP No. 87-2071 of December 25, 1996 issued by the Register Chamber of Irkutsk, License for auditing activities # E001203).

In March 2009, BDO Unicon VostSibAudit, acting in compliance with the contract for auditing services, checked the Company's financial reporting documents.

The audit was carried out on a selective base and included the following procedures:

- Examining (on the basis of testing) of evidence confirming quantitative indices in financial reporting and revealing data on business activities.
- Assessment of compliance with basic accounting principles, as implied in the preparation of financial reporting.
- Evaluation of the main indices submitted to the top management of the audited entity and the assessment of financial reporting documentation.

The auditor, BDO Unicon VostSibAudit LLC, notes that the audit confirmed the accuracy of accounting procedures which are specified by Russian legislation.

GV Gold 2008 Results

Financial / Business Highlights

The Yakutia Project (Aldgold Mining Company, CJSC)

Main indices as of December 31, 2008 (RUR'000)

	2008	2007	2008/2007 (%)
Revenue from sales	333 063	238 193	140
Cost of products sold	(309 100)	(236 005)	131
Gross profit	59 852	2 188	2 735
Management expenses	(35 918)	-	-
Interest paid	(52 138)	(57 665)	90
Balance of other revenues and expenses	(25 556)	(23 303)	110
Profit before tax	(53 760)	(78 780)	68
Net profit	(45 535)	(68 145)	67

Compared to the previous reporting period, revenue in 2008 grew 39.8 percent due to both increased mining yields and a higher price for gold.



Other Information

Information on Transactions with Shares, Concluded by Members of the Board of Directors

As a result of transactions concluded by Members of the Board of the Directors in July, 2008, the following members of the Board disposed of the following ordinary registered shares in the Company:

Sergey V. Dokuchaev, Chairman of the Board of Directors - 5,900 ordinary registered shares in GV Gold (Vysochaishy, OJSC) which at the time of the transaction was 0.11 % of the Authorized Capital of the Company (0.11% of the Company's equity stock) - under the transaction:

Name: Agreement on the sale and purchase of shares in the Authorized Capital of GV Gold ("Vysochaishy", OJSC) dated July 25, 2008.

Parties: Sergey V. Dokuchaev - the Buyer, Lenzoloto, OJSC - the Seller.

Subject of the transaction: according to the Sale and Purchase Agreement, the Seller undertakes to sell and transfer, and the Buyer agrees to buy 5,900 ordinary registered non-documentary shares issue #1-02-40590-N, which is 0.11% of the Authorized Capital of the Company, and the

The date of the relevant entry in the register is 30 July, 2008.

Natalia V. Opaleva, Member of the Board of Directors - 5,900 ordinary registered shares in GV Gold (Vysochaishy, OJSC) which at the time of the transaction was 0.11 % of the Authorized Capital of the Company (0.11% of the Company's equity stock) - under the transaction:

Name: Agreement on the sale and purchase of shares in the Authorized Capital of GV Gold ("Vysochaishy", OJSC) dated July 25, 2008.

Parties: Natalia V. Opaleva - the Buyer, Lenzoloto, OJSC - the Seller.

Subject of the transaction: according to the Sale and Purchase Agreement, the Seller undertakes to sell and transfer, and the Buyer agrees to buy 5,900 ordinary registered non-documentary shares issue #1-02-40590-N, which is 0.11% of the Authorized Capital of the Company, and the

The date of the relevant entry in the register is 30 July, 2008.

Valerian A. Tikhonov, Member of the Board of Directors - 5,900 ordinary registered shares in GV Gold (Vysochaishy, OJSC) which at the time of the transaction was 0.11 % of the Authorized Capital of the Company (0.11% of the Company's equity stock) - under the transaction:

Name: Agreement on the sale and purchase of shares in the Authorized Capital of GV Gold ("Vysochaishy", OJSC) dated July 25, 2008.

Parties: Valerian A. Tikhonov - the Buyer, Lenzoloto, OJSC - the Seller.

Subject of the transaction: according to the Sale and Purchase Agreement, the Seller undertakes to sell and transfer, and the Buyer agrees to buy 5,900 ordinary registered non-documentary shares issue #1-02-40590-N, which is 0.11% of the Authorized Capital of the Company, and the

The date of the relevant entry in the register is 30 July, 2008.

Other Information

Information on the Person, Holding the Position of Sole Executive Body of the Company

General Director	Sergey A. Vasilyev
Birth Date	October 23rd, 1957
Education	Ordzhonikidze Moscow Geological Exploration Institute
Diploma specialty	Geology survey, Prospecting and Exploration of Mineral Deposits
Diploma qualification	Mining engineer-geologist

Positions occupied

- **1980 - 1987** Yanskaya (Zapolyarnaya) exploration expedition of Yakutskgeologiya PGO, ASSR; senior-technician geologist, geologist, senior geologist
- **1987 - 1990** Kularzoloto mining and processing enterprise chief geologist of the PO of Yakutzoloto of the USSR Ministry of Non-Ferrous Metals, Chief geologist
- **1990 - 1991** Geological Department of Glavalmazoloto of the USSR Council of Ministers, specialist of 1st category
- **1991 - 1994** Investment Programmes Department of Almazzoloto JSC RK, consultant, Deputy Director
- **1994 - 1995** Azkol CJSC, Deputy general Director
- **1995 - 1996** Imperialzoloto CJSC, Vestzoloto OOO, Director
- **1996 - 1997** Ministry of Industry of the Russian Federation, Deputy Director of the Department of Precious Metals and Precious Stones
- **1997 - 2004** Head of the Department of technical and economic development, head of the Expert Group, Investment Department, JSCB Lanta-Bank (CJSC)
- **2001 - 2005** Pervenets OJSC , director
- **2000 - currently** GV Gold ('Vysochaishy', OJSC), General Director

Equity stake - 0.96%, ordinary shares - 0.96%

Criteria for Determining and the Amount of Remuneration for the Person Holding the Position of the Sole Executive Body of the Company (CEO) and Members of the Board of Directors

Remuneration for the General director shall be paid under the conditions of the employment contract signed by him and approved by the Board of Directors on October 25th, 2006 and the Additional Agreement #2 signed by him and approved by the Board of Directors on July 8th, 2008.

Remuneration for members of the Board of Directors and compensation for expenses incurred in performing their functions as members of the Board of Directors is determined in the following amounts:

- 5,000 US Dollars (or equivalent thereof in another currency) per month as remuneration;
- 50,000 US Dollars (or equivalent thereof in another currency) as the maximum expenses indemnified by the Company

Other Information

Major Transactions and Related Party Transactions

In 2008, the Company didn't enter into or engage in any transactions that would be recognized as major transactions in accordance with the Federal Law "On Joint-Stock Companies".

During the reported period, the Company engaged in several transactions classified, in accordance with the Federal Law "On Joint-Stock Companies," as "related party transactions":

Agreement Details - No.329/08-OR dated January 14th, 2008.

Contracting Party - JSCB "Lanta-Bank" (CJSC)

Subject of the Contract - the purchase of gold of fineness not less than 99.99 in the amount of 500 (five hundred) kilograms in the form of standard and short Dore bars by JSCB "Lanta-Bank" (CJSC) from GV Gold with delivery not later than December 31st, 2008.

Related Party - Mr. Sergey Dokuchaev, Board of Directors member, Mrs. Natalia Opaleva, Board of Directors member.

Value of property (proprietary rights) under the transaction - over RUR 300,000,000.

Value of transaction/value of balance assets ratio (percent)- over 20.

Decision of the Management Body approving the Transaction - the Protocol of the General Meeting of Shareholders No. OS/V-19 on December 21st, 2007.

Agreement Details - No. 333/08-OR on January, 2008.

Contracting Party - JSCB "Lanta-Bank" (CJSC).

Subject of the Contract - purchase of gold of fineness not less than 99.99 in the amount of 544 (five hundred and forty-four) kilograms in the form of standard and short Dore bars by JSCB "Lanta-Bank" (CJSC) from GV Gold with delivery not later than February 28th, 2008.

Related Party - Mr. Sergey Dokuchaev, Board of Directors member, Mrs. Natalia Opaleva, Board of Directors member.

Value of property (proprietary rights) under the transaction - over RUR 7,500,000.

Value of transaction/value of balance assets ratio (per cent) - over 0.6.

Decision of the Management Body approving the Transaction - the Protocol of the General Meeting of Shareholders No. OS/V-19 on December 21st, 2007.

Agreement Details - w/o No. on February 5th, 2008.

Contracting Party - Mrs. Natalia Opaleva.

Subject of the Contract - purchase of 26 (twenty six) registered share of Aldgold Mining Company, CJSC from Mrs. Opaleva.

Related Party - Mrs. Natalia Opaleva, Board of Directors member.

Value of property (proprietary rights) under the transaction- RUR 179,071,724.

Value of transaction/value of balance assets ratio (percent) - over 10.

Decision of the Management Body approving the Transaction - the Protocol of the Extraordinary General Meeting of Shareholders No. OS/V -20 on January 30th, 2008.

Agreement Details - w/o No. of February 5th, 2008.

Contracting Party - Mr. Valerian Tikhonov.

Subject of the Contract - purchase of 25 (twenty five) registered shares of Aldgold Mining Company, CJSC from Mr. Tikhonov.

Related Party - Mr. Valerian Tikhonov, Board of Directors member.

Value of property (proprietary rights) under the transaction - RUR 172,184,350.

Value of transaction/value of balance assets ratio (percent) - over 10.

Decision of the Management Body approving the Transaction - the Protocol of the Extraordinary General Meeting of Shareholders No. OS/V -20 of January 30th, 2008.

Agreement Details - No. 116 from July 9th, 2008.

Contracting Party - JSCB "Lanta-Bank" (CJSC).

Subject of the Contract - allowance to let a room of total area 19.8 sq. m. in the attic (room No. 9 (office No. 410) of the building located at the address 9 (2) Ulitsa Novokuznetskaya, Moscow, 115184, with appropriate equipment for office use.

Related Party - Mr. Sergey Dokuchaev, Board of Directors member, Mrs. Natalia Opaleva, Board of Directors member.

Value of property (proprietary rights) under the transaction - RUR 326,000.

Value of transaction/value of balance assets ratio (percent) - over 0.1.

Decision of the Management Body approving the Transaction - the Protocol of the Board of Directors meeting No.SD/V-55 from July 8th, 2008.

Other Information

Major transactions and interested-party transactions

Inter-related transactions:

Agreement details:

a) No. 390/08-OR from December 18th, 2008.

b) No.391/08-OR from December 18th, 2008.

Contracting Party - JSCB "Lanta-Bank" (CJSC).

Subject of the contract(s):

a) purchase of gold of fineness not less than 99.99 in the amount of 3,600 (three thousand and six hundred) kilograms in the form of standard and small Dore bars by JSCB "Lanta-Bank" (CJSC) from GV Gold with delivery not later than December 31st, 2009.

b) purchase of gold of fineness not less than 99.99 in the amount of 660 (six hundred sixty) kilograms in the form of standard and measuring Dore bars by JSCB "Lanta-Bank" (CJSC) from GV Gold with delivery not later than February 28th, 2010.

Related Party - Mr. Sergey Dokuchaev, Board of Directors member, Mrs. Natalia Opaleva, Board of Directors member.

Value of property (proprietary rights) under the transaction - over RUR 2.5 billion.

Value of transaction/value of balance assets ratio (percent) - over 84.

Decision of the Management Body approving the Transaction - the Protocol of the General Meeting of Shareholders No. OS/V-23 of January 23rd, 2009.

Additional Agreement No. 1 from December 19th, 2008 to Contract No. 390/08-OR from December 18th, 2008 for the sales/purchase of gold bullion.

Contract Parties: GV Gold (Seller), JSCB "Lanta-Bank" (CJSC) (Buyer).

Subject of the Agreement: Article 3.4 of Contract No. 390/08-OR as of December 18th, 2008 for the sales/purchase of gold bullion should be read as:

"3.4 Final payment for gold is made by the Buyers on the next day after the day of signing the Act on the delivery/acceptance of gold to the Buyers' store. The contractual price of 1 (one) gram of gold is defined as:

$P = (LF * 1.035) * K / 31.1035$, where,

P - price of chemically pure gold, RUR per gram,

LF - morning London Fix set at the day of signing the Act on the delivery/acceptance of gold at the Refinery, US\$ per Oz.,

K - official US\$/RUR exchange rate set by the Bank of Russia for the first working day after the day of signing the Act on the delivery/acceptance of gold."

Related Party - Mr. Sergey Dokuchaev, Board of Directors member, Mrs. Natalia Opaleva, Board of Directors member.

Value of property (proprietary rights) under the transaction- over RUR 2.8 billion.

Value of transaction/value of balance assets ratio (percent) - over 93.

Decision of the Management Body approving the Transaction - the Protocol of the General Meeting of Shareholders No. OS/V-24 as of April 1st, 2009.

Additional Agreement No.2 from December 19th, 2008 to the Contract No. 390/08-OR from December 18th, 2008 for the sale(s)/purchase(s) of gold bullion.

Contract Parties: GV Gold (Seller), JSCB "Lanta-Bank" (CJSC) (Buyer).

Subject of the Agreement: Article 3.4 of Contract No. 390/08-OR from December 18th, 2008 for sales/purchases of gold bullion should be read as:

"3.4 Final payment for gold is made by the Buyer(s) on the next working day after the day of the signing of the Act on the delivery/acceptance of gold to the Buyers' store. The contractual price of 1 (one) gram of gold is defined as:

$P = (LF * 1.005) * K / 31.1035$, where,

P - price of chemically pure gold, RUR per gram,

LF - morning London Fix set at the day of signing the Act on the delivery/acceptance of gold at the Refinery, US\$ per Oz.

K - official US\$/RUR exchange rate set by the Bank of Russia for the first working day after the day of signing the Act on the delivery/acceptance of gold."

Related Party - Mr. Sergey Dokuchaev, Board of Directors member, Mrs. Natalia Opaleva, Board of Directors member.

Value of property (proprietary rights) under the transaction- over RUR 2.9 billion.

Value of transaction/value of balance asset ratio (percent) - over 97.

Decision of the Management Body approving the Transaction - the Protocol of the General Meeting of Shareholders No. OS/V-24 as of April 1st, 2009.

Other Information

The Company's Corporate Code of Conduct

In all of its activities, the Company adheres to principles laid out by the Code of Corporate Governance, which was recommended by a Directive of the Federal Commission for Securities as of April 4th, 2002 N421/r.

The Company plans to develop and adopt its own Code of Corporate Governance.

Information on Declared and Paid Dividends

In 2008, at the General Meeting of Shareholders of GV Gold, OJSC principally devoted to the Company's 2007 results, a decision was made concerning the pay out of dividends on the Company's registered, non-documentary shares:

Stock category: registered non-documentary.

Declared dividends (per share and the overall sum to be paid for all shares of the category type to be considered):

- RUR 24.38 per share
- RUR 126,995,000 on all shares.

Name of the Management Body that decided upon/declared dividend payments: the General Meeting of GV Gold's Shareholders.

Date of the meeting(s)/proceeding(s) of the Management Body where the decision was made to pay (and/or declare) dividends, the date and number of the Protocol of the meeting(s)/proceeding(s) where the decision was made to pay (and/or declare) dividends:

June 30th, 2008, Protocol No.OS/V-21 of the Annual General Meeting of the Company's Shareholders as of July 8th, 2008.

Terms of the payment of dividends declared on the Issuer's stock:

The Annual General Meeting of GV Gold's Shareholders decided that dividends would be dispersed in a two-step process:

- the first portion amounting to RUR 63,498,000 - not later than October 31st, 2008;
- the second portion totaling RUR 63,497,000 - not later than May 31st, 2009.

All payments and other terms of the Company's declared dividends are made in a monetary form.

Reference period (year, quarter) for declared dividends: FY 2007.

The total amount of dividends paid on all Issuer's stock of a single category type by August 31st, 2008 (the total amount of dividends paid for FY 2007) amounted to RUR 63,498,210.

Other data related to declared and/or paid dividends: None.

Other Information

Major risk factors related to the Company's activity

The specific characteristics of the Company's production means that the Company is subject to range of sector-related risks

Price risks (Risks of losses caused by future downward changes of gold price)

During the reported period, the price of gold remained high averaging US\$ 872.37 per oz. Many reasons drove the increased demand for gold, including: geo-political tensions, oil price tendencies and changes in the exchange rate of the US Dollar. Possible future price shifts will likely be connected with the weakening of some of the factors mentioned above, along with overcoming the global recession in the gold mining industry.

The Company carefully considers price risks, and bases its strategic decision making, not on current demand fluctuations, but on long-term market trends and the cyclical nature of the gold market.

Currency risks

Exchange rate risks arise due to fluctuations in currency exchange rates, and together with price risks, are one of the most significant risks that the Company faces.

The exchange rate of the national currency contributes significantly to realized gold prices, since gold is sold on the Russian domestic market for rubles but at an international price.

Considering the fact that prices for the Company's basic products are set in Rubles, in the medium-term, the Company may benefit from a high Dollar/Ruble exchange ratio.

At the same time, a drop in the exchange rate for US currency supports high gold prices, since gold is one of the most popular hedging tools used by investors.

Industry - related risks

Industry-related risks may arise from price changes for sector-specific products, as well as for raw and finished materials implied. These risks may alter production costs, and thus, affect the Company's financial situation.

Legal risks

The Company's business is regulated by current legislation on the development of mineral resources, as well as legal acts concerning taxation, environmental protection and other issues. There are risks of new legal initiatives which could limit the use of resources owned by the Company or exert heavier financial pressure on the Company. Passing any of these new laws and/or regulations would inevitably increase the Company's production costs.

Production risks

The Company's remote location and complex technological processes increase the occurrence of accidents, breakdowns, discontinuities in power supply and communication difficulties.

Social risks

Activities carried out by GV Gold, OJSC are regulated by relevant Russian labor and social legislation. Changes in legal norms, especially those addressing taxation and insurance payments to social and pension insurance funds, could negatively affect the Company's financial position.

During the last few years, Russian Federation tax policy was focused on reducing the tax pressure on enterprises. An example of this trend is the new Federal Taxation Code. Given this trend, the risk of higher taxes in the medium-term seems negligible.

Risks arising from the global economic crisis

On the one hand, the global economic crisis exerts a negative impact on industrial demand for gold, but on the other hand, it spurs investors' demand since gold remains a "safe haven" for investors in unstable times.

Restricted access to financial resources is another serious risk factor generated by the global economic crisis. This is caused both by decreased liquidity and higher interest rates on capital markets.

GV Gold possesses a sufficient amount of cash and short-term financial investments, which exceeds by more than 3 times (3.34) the amount of short-term liabilities. The Company is entirely free from long-term liabilities.

To date, the global economic crisis has not had a significant impact on GV Gold's performance.

Company Management

Company Management

GV Gold, OJSC - Head Office, Bodaibo, the Irkutsk Region



Sergey A. Vasilyev - CEO, General Director

Education: Ordzhonikidze Moscow Geological Exploration Institute.
 Qualification: Geological survey, prospecting and exploration of mineral deposits.
 Joined the Company in 2000



Aleksandr I. Lazuta - Chief Engineer

Education: Krasnoyarsk Institute of Non-Ferrous Metals, Underground development of mineral resources Department.
 Qualification: Mining engineer.
 Joined the Company in 2001



Nadezhda I. Verkhoturova - Chief Accountant

Education: Bodaibo Mining Technical School.
 Qualification: Accountant.
 Joined the Company in 2001

Company Management

Company Management

Aldgold Mining Company, CJSC, Republic of Sakha (Yakutia)



Oleg P. Orlov - Director

Education: Irkutsk Polytechnic Institute.
Qualification: Mining engineer.
Joined the Company in 2008



Anna N. Sukhareva - Chief Accountant

Education: Khabarovsk State Academy of Economy and Law.
Qualification: Mining engineer.
Joined the Company in 2003

Leprindo, CJSC, the Amur Region



Andrei Y. Smolin - Director

Education: Yakutsk State Agricultural Academy.
Qualification: Economist-accountant.
Joined the Company in 2007



Anna V. Trifonova - Chief accountant

Education: Belarussian Commercial University of Management
Qualification: Economist-manager
Joined the Company in 2007

Company Management

Company Management

Gold Minerals, CJSC, the Komi Republic



Nikolai P. Burtsev - Director

Education: Stary Oskol Geological Survey Technical School.
 Qualification: Technician- geophysicist.
 Joined the Company in 2003



Natalya P. Vinogradova - Chief Accountant

Education: Gomel CentroSoyuz Cooperative Institute
 Qualification: Economist.
 Joined the Company in 2008



Oleg V. Mozharov - Chief Geologist

Education: Rostov State University, Geological-Geographic Faculty
 Qualification: Engineer-geologist.
 Joined the Company in 2003

Company Management

Company Management

GV Gold, OJSC - Representative Office, Moscow



Maxim A. Gorlachev - Director, Representative Office, Moscow

Education: (1) Moscow State Aviation Institute, the Department of Economics and the Management of Machine-building Enterprises

Qualification: Engineer-economist
(2) Taganrog State Radio-technical University, Jurisprudence Department

Qualification: Legal advisor

Joined the Company in 2008



Natalya M. Andreyeva - CFO, Deputy Director, Finance

Education: Saratov State Economic University,

Department: International business.

Qualification: Economist, International business.

Joined the Company in 2006



Tatiana V. Demianova - Deputy Director, Public Relations and Investor Relations

Education: Lomonosov Moscow State University, Economics Department

Post-graduate education: Lomonosov Moscow State University, Economics Department

Rutgers University, NY, USA, Economics Department

Qualification: Economist, professor of political economy

Joined the Company in 2006

GV Gold Strategy, 2009-2016

GV Gold's main focus is on transforming itself into a public company ranking in Russia's top five of gold producers and characterized by:

- the steady expansion of the Company's mineral resource base and continued growth in gold production;
- a high level of and further growth in capitalization;
- high efficiency of operations.

During the reported period, the Company continued - by using income generated from its primary business asset - to implement its strategy aimed at expanding its operations into other Russian regions. This strategy minimizes economic and geographic risks that arise from a single-site operated business.

Each of GV Gold's projects go through different development stages, including: resource prospecting, industrial development and growth in production capacity.

The corporate development strategy stipulates that development of different projects should occur simultaneously across all three stages of the development process. As soon as one project completes a certain stage of development, another project replaces it in the pipeline.

The Irkutsk Project

During the past five years, the reserves at Goletz Vysochaishy - the Company's major asset - have more than doubled.

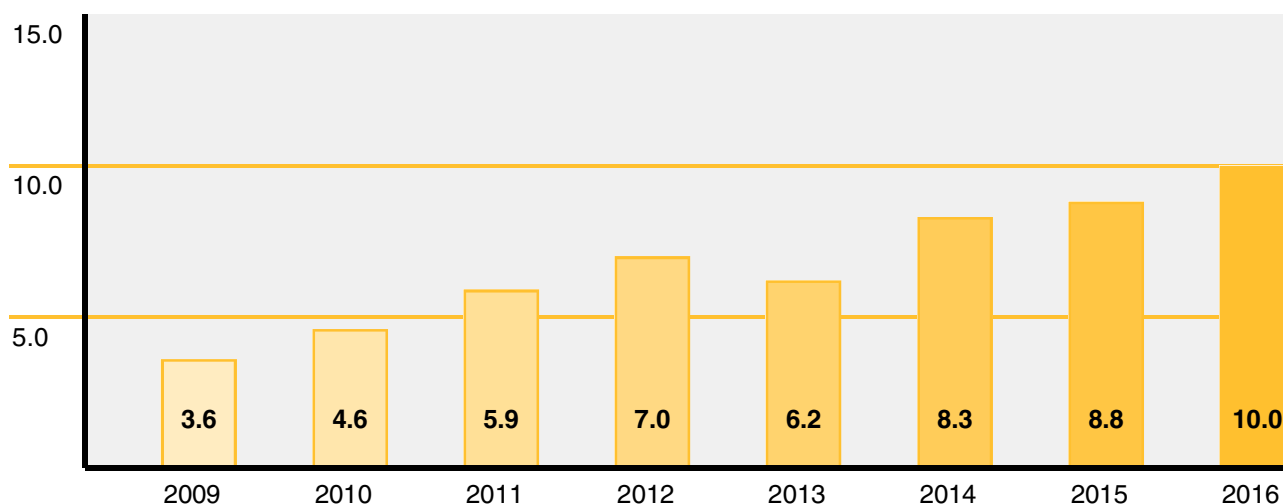
Work has been started on preparing a site to build the third mill with a designed annual processing capacity of up to 3,500,000 tonnes of ore.

Presently, exploration work is being conducted on the flanks of the Khomolkho ore field, where more than 10 prominent sites have been discovered within an area of more than 400 square kilometers.

To increase its mineral resource base, the Company won a tender to develop the ore-bearing site called "the Eastern Part of the Khomolkho Ore Field." Inferred ore gold resources at the new site total 18 tonnes.

Further project development is planned along with a steady growth in processing capacities. By 2016, the Company plans to process 5,000,000 tonnes of ore, and will thus maintain annual gold production at a level of 10 tonnes or more.

Production growth (tonnes)



GV Gold Strategy, 2009-2016

The Yakutia Project

The new project is considered to be a "super projects" category project by the Company.

In addition to increasing the amount of gold mined, the Company also plans to:

- Perform the modernization of processing equipment at the working dredgers;
- Correct the technical work project by acquiring and launching two deep digging dredgers that have the capacity of a dredger bucket of 400 liters, with a digging depth of 30 meters;

While implementing its alluvial program, the Company plans to simultaneously:

- Conduct a detailed exploration of section # 4 (exploration lines 196-244) of the Bolshoi Kuranakh River deposit with core holes on a 200-100 x 40-20 meter grid with the aim of calculating overall C1 and C2 gold reserves (gravitationally extracted, fine-dispersed and chemically connected);
- Develop and adopt a feasibility study and economic assessment of constant exploration reconnaissance conditions to calculate reserves at section #4 of the Bolshoi Kuranakh River deposit and the preparation of a report on the results of exploration work to determine overall gold reserves;
- Perform and conduct a project for mining the deposit using "ore technology";
- Participate in auctions for prospective gold mining fields in the South of the Sakha Republic (Yakutia).

According to internal estimates, the Company believes that it will be able to increase mining from the present 400-500 kilograms per year up to 3 000 kilograms with the further development.

The Amur Project

Amur is another new project launched by the Company.

The Company plans to prepare the first ore-bearing sites resources for startup of a pilot ore processing project.

The Komi Project

The Company plans to participate in auctions, organized by the Komi Republic and to launch its own exploration projects in the area.

By 2016, OJSC Vysochaishy (GV Gold) plans to produce 500,000 oz. of gold and to continue on its development path.



Contacts

GV Gold, OJSC - Head Office, Bodaibo

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Phone/Fax: +7 (39561) 5-71-20; +7 (495) 748-13-04
E-mail: mail@gvgold.ru
Web site: www.gvgold.ru

General Director: Sergey A. Vasilyev
Chief Accountant: Nadezhda I. Verkhoturova

Bank details:

Current account: 40702810518300100087 in OSB #587 Bodaibo
 Correspondent account: 30101810900000000607
 BIK: 042520607
 INN: 3802008553
 KPP: 384650001
 OKPO: 46696774
 OKONH: 12411
 OKVED: 13.20.41, 74.20.2

Aldgold Mining Company, CJSC - the Republic of Sakha (Yakutia)

Address: 30 ul. Dostovalova, Aldan, Republic of Yakutia (Sakha) 678900
Phone: +7 (41145) 36-1-42, 36-1-71
Fax: +7 (41145) 36-1-35

Director: Oleg P. Orlov
Chief Accountant: Anna N. Sukhareva

Bank details :

Current account: 40702810100000000205
Correspondent account: #30101810800000000792
 AB Aldanzolotobank, Aldan
 BIK 049853792
 INN 1435094334 KPP 140200001

Leprindo, CJSC - the Amur Region

Address: office 27/320 , 12 ul. Mokhortova, Tynda, Amur Region 676282
Phone/Fax: +7 (41656) 5-47-27
E-mail: leprindo@list.ru

Director: Andrey Y. Smolin
Chief Accountant: Anna V. Trifonova

Bank details:

Current account: 40702810218300100345
 INN 3808119108 KPP 280801001
 in OSB No. 587 Baikalsky Bank SB RF
 Irkutsk

Contacts

Gold Minerals, CJSC - the Komi Republic

Address: 54 ul. Oplesnina, Syktyvkar, Komi Republic 167016
Phone: +7 (8212) 32-10-25, (8212) 21-33-85
Fax: +7 (8212) 32-10-25

General Director: Nikolai P. Burtsev
Chief Accountant: Natalya P. Vinogradova

Bank details:

Current account: 40702810300000000408
 in FOAO Komiregionbank Ukhtabank Syktyvkar
Correspondent account: 30101810900000000768
 BIK 048702768

GV Gold, OJSC - Representative office, Moscow

Legal Address: 9(2) ul. Novokuznetskaya, Moscow 115184
Mailing address: Office #4, 8/8 B. Spasoglishevsky pereulok, Moscow 101000
Phone: +7 (495) 623-39-63, 623-38-36
Fax: +7 (495) 623-44-13

Representative Office Director:	Maxsim A. Gorlachev
Deputy Director, Finance, CFO:	Natalya M. Andreyeva
Deputy Director, Public Relations and Investor Relations:	Tatiana V. Demianova
Head of Production and the Technological Department:	Nina S. Polyakova
Chief Accountant:	Svetlana N. Frolova

Bank details:

INN 3802008553
 KPP 770504001
 OGRN 1023800732878
 OKVED 13.20.41
 JSCB Lanta-Bank (CJSC)
Current account: 40702810100000005603
Correspondent account: 30101810400000000348
 BIK 044525348

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF GV Gold (OPEN JOINT-STOCK COMPANY "VYSOCHAISHY") FOR 2008

The audit of accounting statements of GV Gold (Vysochaishy, OJSC) (later referred to as "the Company") for 2008 was conducted by BDO Unicon VostSibAudit, LLC in accordance with the agreement №37-OA-08 from July 22nd, 2008.

Brief information on BDO Unicon, CJSC

BDO Unicon VostSibAudit, CJSC is registered by the Inspection of the Ministry of Taxes and collections of Russia of the Pravoberezhny district of Irkutsk, the Irkutsk Region.

State registration:

State registration Certificate series IRP No. 87-2071, issued on December 25, 1996 by the Registration Chamber of Irkutsk City Administration.

Certificate of the Ministry of the Russian federation for Taxes and Duties on the entry into the Unified State Register of Legal Entities about a legal entity registered prior to July1, 2002, under the main state registration number 1023801018977 dated October 29, 2002.

The Certificate series 38 № 002957051 on the state registration of amendments to founding documents of a legal entity of November 19th, 2008, state registration number 2083808228535 issued by the Inspection of the Federal Tax Service of the Pravoberezhny district of Irkutsk.

Location: Office 206, 6 Lenina St., Irkutsk 664025

Phone: (395) 34 02 87

Phone/fax: (395) 24 39 90

E-mail: vsaudit@irkutsk.ru

Web site: www.bdo.ru

Director: Knyazkova Nadeshda Petrovna

BDO Unicon VostSibAudit, CJSC holds the license № E 001203 as of July 24th, 2002 for the performance of audit activities, issued by the Ministry of Finance of the Russian Federation. Valid till August 7th, 2012.

BDO Unicon VostSibAudit, CJSC is an independent national audit company and is a member of International BDO network.

BDO Unicon VostSibAudit, CJSC is a corporate member of the professional auditors' union Non-commercial partnership "Institute of professional accountants and auditors of Russia" (Certificate series D № 01351/41, valid thru December 31st, 2009), accredited under the Ministry of Finance of the Russian Federation in accordance with the order № 574 (Certificate № 8 on the accreditation of the Professional Auditors' Union under the Ministry of Finance of the Russian Federation).

Director Knyazkova Nadezhda Petrovna is sign to underwrite the Auditor's report acting on the basis of the Charter.

Auditor Tirskikh Galina Ivanovna is the Director of the Audit, heading the audit of GV Gold.

Brief information on GV Gold (Vysochaishy, OJSC)

Name: GV Gold (Vysochaishy, Open Stock Company).

Location: 17 Berezovaya st., Bodaibo, Irkutsk region, P/o box 44.

State registration:

State registration Certificate No. 451-p, issued on May 29, 2001, by the Municipal Unit of Bodaibo and the district of Irkutsk Region.

Certificate of the Ministry of the Russian Federation for Taxes and Duties on the entry into the Unified State Register of Legal Entities about a legal entity registered prior to July 1, 2002, under the main state registration number 1023800732878 dated November 19, 2002, issued by the Irkutsk Region Interregion Inspectorate No.3 of the Ministry of the Russian Federation for Taxes and Duties.

1. We performed the audit of the enclosed financial statements for 2008 on 21 pages:
 - Balance sheet (Form №1) - on 1 page;
 - Profit and loss statement (Form №2) - on 2 pages;
 - Statement of Changes in Equity (Form №3) - on 3 pages;
 - Cash flow statement (Form №4) - on 2 pages;
 - Annexes to balance sheet (Form №5) - on 6 pages;
 - Explanatory notes - on 7 pages.

The statements were prepared by the management of the Company in accordance with the norms provided by the Federal law of November 21st, 1996 № 129-FZ "On accounting" (with later amendments and additions), Provision on accounting, Order of the Ministry of Finance of the Russian Federation from July 22nd, 2003 № 67n "On forms of accounting reports of organizations" and other normative acts of the Russian Federation, regulating accounting records` maintenance and preparation of reporting.

The responsibility for the organization of accounting and the observation of the legislation of Russia in running business activities is carried out by the CEO of the Company - Vasiliev Sergey Anatolievich.

The responsibility for forming accounting policies, accounting record-keeping and the timely presentation of full and accurate financial statements is carried by the Chief Accountant of the Company - Verkhoturova Nadeshda Ivanovna.

Our responsibility is to express an opinion on the accuracy in all material aspects of the submitted financial statements on the basis of the conducted audit.

The aim of the work was not to express an opinion on the full conformity of the Company's activities with the legislation of Russia and to evaluate the effectiveness of Company's management.

Our opinion can not be considered by the user of these statements as an expression of confidence in the going concern of the Company's future activities.

2. We conducted the audit in accordance with the Federal law of August 7th, 2001 № 119-FZ "On audit activity" (with later amendments and additions), Federal law of December 30th, 2008 № 307-FZ "On audit activity" and federal rules (standards) of audit activity, adopted by the Decree of the Government of the Russian Federation from September 23rd, 2002 № 696 (with later amendments and additions), other normative acts regulating the audit activity and the intra-company standards and audit methods.

When the audit was conducted, we were governed by internal rules (standards) of the accredited Professional Auditors` Union "Institute of professional accountants and auditors of Russia".

The audit was planned and conducted in such a way to obtain logical assurance in the fact that the financial statements did not contain any material misrepresentation.

The Audit was planned and performed in order to obtain a reasonable assurance that the accounting statements do not contain material corruptions.

The Audit was performed on a sample basis and included the following procedures:

test-based examination of evidences confirming index numbers of the accounting statements and disclosure of information on financial and business activity in the accounting statements;
assessment of compliance with principles and standards of accounting used at accounting statements preparation;

examination of the main estimated figures received by the Auditee's management, as well as assessment of the accounting statements presentation.

The Audit performed provides sufficient ground for expressing of our opinion on validity of the accounting statements and compliance of accounting procedures with the law of the Russian Federation.

We believe that the conducted audit represents enough evidence to express our opinion on the accuracy, in all material respects, for the given financial statements.

3. In our opinion, the financial statements of the Company represent fairly, in all material respects, the financial position as of December 31st, 2008 and the results of financial and economic activity for the Company for the period from January 1st, 2008 to December 31st, 2008 inclusively in accordance with the requirements of legislation of the Russian Federation in the field of preparing financial statements.

March 2nd, 2009

Director



N.P. Knyazkova

Qualification certificate of the Ministry of Finance of the Russian Federation on general audit № 006745 issued on the basis of the resolution of the Central Certificate and License Auditor Commission of the Ministry of Finance of the Russian Federation of November 27th, 1995, since November 28th, 2001 prolonged for an indefinite period (protocol № 100 CCLAC Ministry of Finance of the Russian Federation)

Auditor Lead

G.I. Tirskikh

Qualification certificate of the Ministry of Finance of Russian Federation on general audit № 006753 issued on the basis of the resolution of the Central Certificate and License Auditor Commission of the Ministry of Finance of the Russian Federation of November 27th, 1995, since November 28th, 2001 prolonged for an indefinite period (protocol № 100 CCLAC Ministry of Finance of the Russian Federation)

Balance sheet of GV GOLD (Vysochaishy, OJSC)
as of December 31st 2008

	CODES
Form №1 accrd. to OKUD	0710001
Date (year, month, date)	2008 12 31
Organization: GV GOLD (Vysochaishy, OJSC)	Accrd. to OKPO 46696774
Taxpayer Identification Number:	INN 3802008553/380250001
Type of business activity: mining and exploration of natural resources	Accrd. to OKVED 13.20.41
Legal form of incorporation: OJSC Fprm of property: private	Accrd. to OKOPF/OKFS 67 16
unit of measurement: thousand RUR	Accrd. to OKEI 384
Mailing address: 17 Berezovaya St., Bodaibo, 666902, Irkutsk region, Russian Federation	

ASSETS	Index code	Beginning of reported year	For reported period year
1	2	3	4
I. Non-current assets			
Intangible assets	110	22	19
Property, plant and equipment	120	232257	616482
Building in progress	130	381381	218439
Income-bearing investments in tangible assets	135	-	-
Long-term financial investments	140	160	414431
Deferred tax assets	145	9200	11234
Other non-current assets	150	742	-
Total section I	190	623762	1260605
II. Current assets			
Inventories	210	225982	445058
Including:			
Materials and other similar valuables	211	127614	202116
Living stock	212	-	-
Production-in-progress costs	213	46612	61094
Finished products and goods for resale	214	-	-
Goods dispatched	215	-	-
Deferred expenses	216	51756	181848
Other inventories and costs	217	-	-
Value added tax on assets purchased	220	82733	55797
Accounts receivable (amounts falling due more than 12 months after the balance sheet date)	230	21502	14279
including:			
Buyers and customers	231	21502	14279
Accounts receivable (amounts falling due within 12 months after the balance sheet date)	240	243441	719987
including:			
Buyers and customers	241	799	22825
Short-term financial investments	250	468724	307328
Cash	260	125223	220409
Other current assets	270	15	17
Total section II	290	1167620	1762875
BALANCE	300	1791382	3023480
	Form 0710001 c.2		

LIABILITIES	Code	As of beginning of reporting period	As of end of reporting period
1	2	3	4
III. Capital and Reserves			
Share capital	410	100	104
Treasury stock	411	-	-
Incremental capital	420	413868	413864
Reserve funds	430	-	104
including:			
Statutory reserves	431	-	-
Reserves formed in accordance with constitutive documents	432	-	104
Undistributed profit (uncovered loss)	470	1254636	2169071
Total section III	490	1668604	2583143
IV. Long-Term Liabilities			
Loans and credits	510	-	-
Deferred tax liabilities	515	13349	27797
Other long-term liabilities	520	-	-
Total section IV	590	13349	27797
V. Short-Term Liabilities			
Loans and credits	610	-	251052
Accounts payable	620	109429	97991
including:			
Suppliers and contractors	621	15999	18424
Payables to personnel	622	42702	44596
Debts to state and non-budgetary funds	623	10109	7443
Taxes payable	624	36566	22153
Other accounts payable	625	4053	5375
Debts to shareholders (founders) with respect to their earnings	630	-	63497
Deferred revenue	640	-	-
Reserve for future expenses and payments	650	-	-
Other short-term liabilities	660	-	-
Total section V	690	109429	412540
BALANCE	700	1791382	3023480
Statement of Assets Accounted in Off-Balance Sheet Accounts			
Property, plant and equipment rented	910	127633	76573
including under leasing agreements	911	47279	15
Inventory items accepted for safekeeping	920	20679	21469
Goods accepted for commission sale	930	2392	2506
Debts of insolvent debtors written off	940	735	784
Security for obligations and payments obtained	950	-	-
Security for obligations and payments provided	960	-	136237
Depreciation of housing facilities	970	38	58
Depreciation of site improvement items and other similar facilities	980	-	-
Intangible assets obtained for use	990	-	-
Property, plant and equipment leased		85	9702

General Director

Sergey A. Vasiliev

Chief Accountant

Nadeshda I. Verkhoturova



(signature)

(print name)



(signature)

(print name)

23 February 2009

Profit and loss statement of GV GOLD (Vysochaishy, OJSC)
for the period from January 1st to December 31st of 2008

	CODES
Form №1 accrd. to OKUD	0710001
Date (year, month, date)	2008 12 31
Organization: GV GOLD (Vysochaishy, OJSC)	Accrd. to OKPO 46696774
Taxpayer Identification Number:	INN 3802008553/380250001
Type of business activity: mining and exploration of natural resources	Accrd. to OKVED 13.20.41
Legal form of incorporation: OJSC Fprm of property: private	Accrd. to OKOPF/OKFS 67 16
unit of measurement: thousand RUR	Accrd. to OKEI 384
Mailing address:	
17 Berezovaya St., Bodaibo, 666902, Irkutsk region, Russian Federation	

Item		Reporting year	Same period, previous year
Description	code		
1	2	3	4
Operating Income and Expenses			
(Net) proceeds from sales of goods, products, work, services (exclusive of VAT, excises and similar mandatory payments)	010	2499756	1836206
Cost of goods, products, work, services sold	020	-865053	-841222
Gross profit	029	1634703	994984
Commercial expenses	030	-	-
Management expenses	040	-138088	-76188
Sales profit (loss)	050	1496615	918796
Other operating income and expenses			
Interest receivable	060	44940	1358
Interest payable	070	-28025	-14974
Income from participation in other entities	080	-	-
Other operating income	090	58730	20656
Other operating expenses	100	-106168	-75277
Profit (loss) before taxes	140	1466092	850559
Deferred tax assets	141	2034	4618
Deferred tax liabilities	142	-14449	-7190
Current profit tax	150	-347398	-212745
Tax sanctions	180	-224	-271
Net profit (loss) of the reporting period	190	1106055	634971
REFERENCE:			
Standing tax liabilities	200	7951	11182
Basic profit (loss) per share	201	-	-
Diluted profit (loss) per share	202	-	-

Обращение директора

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