



Mineral resources
and ore reserves

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Mineral resources and ore reserves

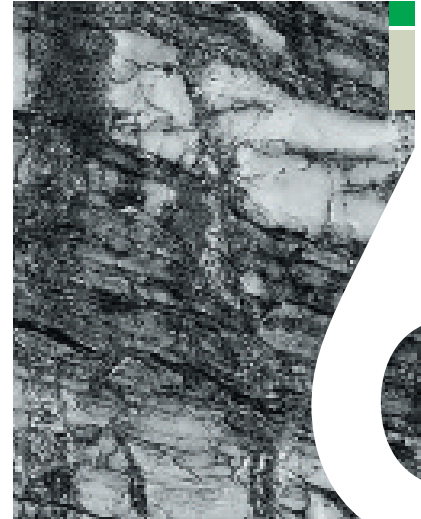


+ Taimyr Peninsula and Kola Peninsula

Data on mineral resources and ore reserves as of 31 December 2006 are based on the results of the independent audit performed by Micon International Co. Limited (Micon). The audit was conducted in accordance with the principles of the Joint Ore Reserves Committee (JORC) Code of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

For the first time in the Group's history the independent audit covered mineral resources and ore reserves of all metals in all the deposits comprising the mineral base of MMC Norilsk Nickel in the Taimyr and Kola Peninsulas.

Proved and probable ore reserves of the deposits of the Taimyr and Kola Peninsulas contain over 6 million tonnes of nickel and over 9 million tonnes of copper. Additional measured and indicated mineral resources in the Taimyr Peninsula and the Kola Peninsula deposits contain more than 10 million tonnes of nickel and more than 16 million tonnes of copper. Proved and probable ore reserves in the Taimyr Peninsula deposits also contain over 63 million ounces of palladium and over 16 million ounces of platinum at a combined grade of 7.54 grams per tonne. Measured and indicated mineral resources in the Taimyr Peninsula deposits contain almost 140 million ounces of palladium and over 40 million ounces of platinum.



Compared to the 31 December 2004 data, the reserves of the Taimyr Peninsula deposits remain essentially unchanged at the end of 2006, with mined ore being replaced. Despite intensive mining in 2005-2006 the Group was able to sustain these levels due to additional exploration at the operating mines and the inclusion of economic disseminated ore in the production plan.



Minerals resources and ore reserves of Taimyr
and Kola Peninsulas as of 31 December 2006

Region / Category			Ore Tonnage 000't	Metal Grade						Contained Metal					
Deposit	Ore Type			Ni %	Cu %	Pd g/t	Pt g/t	Au g/t	6PGM g/t	Ni 000't	Cu 000't	Pd 000'oz	Pt 000'oz	Au 000'oz	6PGM 000'oz
Taimyr Peninsula															
Proved ore reserves															
Talnakh ore field															
	Rich		49,211	2.91	4.13	7.41	1.57	0.24	9.44	1,429	2,035	11,723	2,484	385	14,943
	Cuprous		15,733	1.19	5.05	11.92	2.85	0.65	14.93	188	794	6,031	1,441	327	7,549
	Disseminated		30,652	0.49	0.89	3.97	1.45	0.25	5.63	149	274	3,909	1,427	245	5,541
Total Talnakh ore field – combined ore types			95,596	1.85	3.25	7.05	1.74	0.31	9.13	1,766	3,103	21,663	5,352	957	28,033
Norilsk-1 deposit (Disseminated ore)			42,518	0.35	0.49	4.30	1.76	0.18	6.34	147	210	5,879	2,412	251	8,682
Probable ore reserves															
Talnakh ore field															
	Rich		96,512	2.64	2.93	5.15	1.02	0.16	6.69	2,549	2,826	15,982	3,149	509	20,723
	Cuprous		68,514	0.82	3.56	7.39	1.89	0.60	9.49	565	2,439	16,267	4,157	1,327	20,902
	Disseminated		1,932	0.41	0.66	2.24	0.67	0.21	3.11	8	13	139	42	13	193
Total Talnakh ore field – combined ore types			166,958	1.87	3.16	6.03	1.37	0.34	7.78	3,122	5,278	32,388	7,348	1,849	41,818
Norilsk-1 deposit (Disseminated ore)			23,602	0.28	0.37	4.32	1.78	0.20	6.42	66	86	3,279	1,349	155	4,875
Total proved and probable ore reserves			328,674	1.55	2.64	5.98	1.56	0.30	7.90	5,102	8,676	63,211	16,463	3,211	83,408
Measured and indicated mineral resources															
Talnakh ore field															
	Rich		20,470	4.23	5.83	12.95	2.54	0.51	15.90	866	1,194	8,524	1,673	336	10,468
	Cuprous		797	0.87	2.77	7.81	2.56	0.51	10.63	7	22	200	66	13	273
	Disseminated		1,367,312	0.52	1.03	2.89	0.84	0.19	3.91	7,066	14,149	127,143	36,745	8,241	171,606
Total Talnakh ore field - combined ore types			1,388,579	0.57	1.11	3.04	0.86	0.19	4.08	7,939	15,365	135,867	38,484	8,590	182,347
Norilsk-1 deposit (Disseminated ore)			25,525	0.34	0.46	4.21	1.66	0.15	6.26	86	115	3,452	1,359	126	5,133
Total measured and indicated mineral resources			1,414,104	0.57	1.09	3.06	0.88	0.19	4.12	8,024	15,481	139,319	39,842	8,716	187,480
Total inferred mineral resources			473,635	0.90	1.86	4.45	1.13	0.27	5.81	4,265	8,812	67,702	17,255	4,044	88,561
Kola Peninsula (Disseminated ore)															
Proved ore reserves (Operating mines)			76,214	0.65	0.30	0.04	0.03	0.01	0.07	497	229	87	65	26	163
Probable ore reserves (Operating mines)			60,813	0.75	0.36	0.04	0.03	0.01	0.09	456	220	77	68	25	160
Total proved and probable ore reserves			137,027	0.70	0.33	0.04	0.03	0.01	0.07	953	449	164	133	51	323
Measured and indicated mineral resources															
Operating mines			348,988	0.50	0.21	0.04	0.02	0.01	0.06	1,730	729	430	208	77	655
Undeveloped deposits			148,094	0.59	0.30	0.05	0.03	0.02	0.09	877	445	215	137	93	387
Total measured and indicated mineral resources			497,082	0.52	0.24	0.04	0.02	0.01	0.06	2,607	1,174	645	345	170	1,042
Total inferred mineral resources			220,648	0.51	0.24	0.04	0.02	0.01	0.06	1,134	522	283	158	74	467

Similar to earlier audits in 2003 and 2005, Micon completed a comprehensive review of information related to the mineral resources and reserves of the deposits of the Taimyr and Kola Peninsulas. The review involved exploration and mine geological information, and included site visits to individual mines, analytical laboratories, and staff interviews. Micon specifically examined:

- drilling techniques and equipment;
- drill core logging and mapping;
- sampling, sample preparation and assay methods;
- databases (selective inspection);
- assay quality control data.

Micon reviewed the methods used to calculate and classify mineral resources and ore reserves. They confirmed that the geological and assay data collected at both Taimyr and Kola Peninsulas are of a high quality and that the mineral reserve calculations prepared by the Group provide a reasonable estimate of the mineral reserves. No material differences were found between the results obtained by Micon and the internal estimates of MMC Norilsk Nickel. Micon restated mineral reserves for the Taimyr and Kola deposits following the guidelines of the JORC Code and these are found in the accompanying table.

Notes:

(1) Mineral resources and ore reserves of the deposits of the Taimyr Peninsula and Kola Peninsula were classified according to the Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code") developed by the Australasian Joint Ore Reserves Committee ("JORC") formed by the The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

(2) The classification of the reserves in accordance with JORC principles have been prepared by the following competent person: Stanley C Bartlett, PGeo, Managing Director of Micon International Co Limited.

(3) Reserves are based on the current 2007-2020 detailed mine production plan and the base case conceptual mine plan extending to the life of mine end. The life of mine is based on economically mineable ore in the A, B and C1 Russian categories at the end of a given calendar year.

(4) In the Kola Peninsula the audit included Zhdanovskoe, Zapoliarnoe, Kotselvaara-Kammikivi and Semiletka deposits.

(5) Sub-total and total figures may be different to the sum of individual numbers due to rounding.

(6) 6PGM figures include platinum, palladium, rhodium, ruthenium, osmium and iridium.

(7) Proved and probable ore reserves are not included in mineral resources.

(8) The metal prices used were: nickel – \$14,000/t, copper – \$4,500/t, palladium – \$310/oz, platinum – \$1,000/oz, gold – \$580/oz.

(9) Ore losses applied ranged from 1.6% to 20% and dilution ranged from 6% to 15%. Mining dilution was assumed to have nil grade.

Mineral resources and ore reserves definition in accordance with the JORC Code

A “**Mineral Resource**” is a concentration or occurrence of material of intrinsic economic interest in or on the earth’s crust in such form, quality and quantity that there are reasonable prospects for its eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence into Inferred, Indicated and Measured categories.

An “**Inferred Mineral Resource**” is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and has an assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which is limited or of uncertain quality and reliability.

An “**Indicated Mineral Resource**” is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A “**Measured Mineral Resource**” is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity.

An “**Ore Reserve**” is the economically mineable part of a Measured or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

A “**Probable Ore Reserve**” is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A “**Proved Ore Reserve**” is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Stillwater Mining Company

Data on ore reserves of Stillwater Mining Company are provided here as of 31 December 2006 in accordance with Industry Guide No. 7 as approved by the US Securities and Exchange Commission.

Ore reserves of Stillwater Mining Company are located in the J-M Reef deposit in the Beartooth Mountain Range in the south central area of the US state of Montana.

As of 31 December 2006 the proven reserves of Stillwater Mining Company totaled approximately 4.8 million tons¹ of ore with palladium and platinum contents of 0.57 ounces per ton¹, containing a total of 2.7 million ounces of palladium and platinum². This represents a 16% increase in the tonnage of proven ore reserves as compared to the reserves at 31 December 2005.

As of 31 December 2006, the proven and provable reserves of Stillwater Mining Company totaled approximately 42.4 million tons¹ of ore with palladium and platinum contents of 0.54 ounces per ton¹ and a total of 23 million ounces of palladium and platinum². This is 1% less than the ore tonnage of proven and probable reserves of ore at 31 December 2005.

The ore reserves of Stillwater Mining Company changed compared to year end 2005 for the following reasons:

- increased amount of primary development and drilling in 2006;
- reclassification of part of the probable ore reserves to proven ore reserves.

Ore reserves of the J-M Reef deposit (Montana) as of 31 December 2006

	Ore Tonnage	Metal grade (Pd+Pt)	Contained Metal (Pd+Pt)
	('000 tons)	(oz/ ton)	('000 oz)
Stillwater mine			
Proven reserves	2,775	0.66	1,818
Probable reserves	15,539	0.63	9,749
Total Stillwater mine proven and probable reserves	18,314	0.63	11,567
East Boulder mine			
Proven reserves	2,011	0.45	902
Probable reserves	22,116	0.48	10,579
Total East Boulder mine proven and probable reserves	24,127	0.48	11,481
Total Stillwater Mining Company reserves			
Proven reserves	4,786	0.57	2,721
Probable reserves	37,656	0.54	20,327
Total Stillwater Mining Company proven and probable reserves	42,442	0.54	23,048

Notes:

(1) Ton (or short ton) is the weight measure used in the USA reporting. It equals 907.18 kg.

(2) Expressed as palladium plus platinum in-situ ounces at a ratio of approximately 3.56 parts Pd to 1 part Pt.

(3) In calculating ore reserves Stillwater Mining Company has used the trailing 12 quarter combined average PGM market price of USD 410.00 per ounce, which consists of USD 250.39 per ounce for palladium and USD 961.27 per ounce for platinum.

(4) Average mining and processing losses of approximately 12.8% must be deducted to arrive at the estimated recoverable ounces.



Definitions of mineral resources and ore reserves in accordance with Industry Guide No. 7, approved by the U.S. Securities and Exchange Commission (SEC)

“Reserves” are defined as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

“Proven reserves” are defined as reserves for which:

(a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and

(b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

“Probable reserves” are defined as reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.

More details on the ore reserves and mineral resources of Stillwater Mining Company are provided in the Stillwater Mining Company 2006 annual report.

Gas and gas condensate reserves

The Group currently extracts hydrocarbons (natural gas and gas condensate) at the following four deposits in the Taimyr Peninsula:

- Pelyatka;
- Severo-Soleninskoye;
- Yuzhno-Soleninskoye; and
- Messoyakhskoye.

The gas produced is sold to Norilskenergo, a Group’s branch, as raw material for power and heat generation purposes as well as for the Group’s production needs.

Pelyatka deposit is the largest of all gas condensate deposits developed by the Group. The construction and development of the deposit facilities is currently under way. That includes more than 200 complex technological facilities at various stages on the production chain, from gas and condensate extraction to its preparation for shipment to the customers. The development site occupies more than 22 hectares of land. The length of pipeline for gas and gas products transportation is more than 180 kilometers.

The production volume at the Pelyatka gas condensate deposit in 2006 totalled 664 million cubic meters of gas and 32,000 tonnes of condensate.

During the reporting period the Group designed and developed a flat wellbore-end for the drilling of wells, the construction of the first producing well with a flat wellbore-end was completed and exploration and design works to construct the Pelyatka – Dudinka gas and gas condensate pipeline were initiated.

The following activities are planned to be performed in 2007 at the Pelyatka deposit:

- complete the construction of the launch complex and put it into operation;
- drill four producing wells;
- initiate exploration and design works to construct a gas condensate and natural gas liquids processing plant;
- complete exploration and design works to construct Pelyatka – Dudinka gas and gas condensate pipeline.

The total production volume at the gas and gas condensate deposits of OJSC Norilskgasprom in 2006 was 2.9 billion cubic meters of gas and 5,700 tonnes of condensate.

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Gas and gas condensate reserves as of 31 December 2006⁽¹⁾

Deposit	Deposit type	Reserves [A+B+C1] ⁽²⁾	
		Gas (bln. cu. m.)	Condensate (’000 tonnes)
Pelyatka	Gas condensate	255	12,279
Severo-Soleninskoye	Gas condensate	58	995
Yuzhno-Soleninskoye	Gas condensate	19	417
Messoyakhskoye	Gas	8	–
Total reserves		340	13,691

Notes:

(1) According to the Group’s data.

(2) Reserves categories established by the State Reserves Committee of the Russian Federation.