

FACT SHEET

A study has found that Sibanye-Stillwater US PGM operations and processing facilities contribute significantly to the prosperity of local communities and the US state of Montana as a whole.

“The company’s high-paying jobs, high value-added production and significant tax payments add to the state economy in their own right. As the dollars paid to employees, vendors and governments are in turn re-spent in the economy, their ultimate significance grows.”

The economic contributions of the Sibanye-Stillwater mine operations in Montana, Bureau of Business and Economic Research, University of Montana, January 2019

MINING SUPPORTS MONTANA

Published in January 2019, a study conducted by the Bureau of Business and Economic Research at the University of Montana concludes that the mining operations in south-central Montana make the local economy significantly larger, more prosperous and more populous than it would have been without the presence of Sibanye-Stillwater.

The contributions to Montana were measured in terms of production, employment, spending and tax revenues.

The study used 2017 data but the methodology and the relative consistency of the data from year to year renders the numbers generally on point for years to come. Given the anticipated continued growth of the US operations, future economic contributions would generally exceed the results of this study year over year.

MEASURABLE ECONOMIC ACTIVITY

In the state of Montana, Sibanye-Stillwater supports

- Almost 6,000* permanent year-round jobs across a wide spectrum of industries
- US\$500 million in annual recurring income received by Montana households (US\$438 million disposable after-tax income)
- State tax and non-tax revenues of approximately US\$95 million annually
- Over US\$1.5 billion in additional economic output annually

The economic contributions do not include the value of cleaner, safer air due to reduced emissions from motor vehicles with catalytic converters manufactured from the platinum, palladium and other precious metals produced by the operations.

The largesse of contributions by Sibanye-Stillwater are attributed to:

- The highly mechanised, high value-added nature of the production process, supporting jobs that pay substantially more than the state average
- The high “made in Montana” component of the company’s basic input (the ore excavated from the ground)
- The significant tax support paid by the company to state and local governments

* In 2017, we directly employed more than 1,500 people (2018: more than 1,600 people)

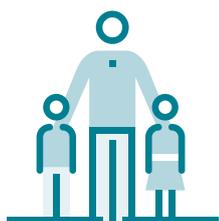
WHY MINING MATTERS

Sibanye-Stillwater is a global precious metals mining company with a significant presence in South Africa and Montana. It is the third-largest producer of platinum group metals (PGMs), primarily platinum and palladium, in the world. PGMs are a critical component of catalytic converters found in almost all of the 97 million cars and trucks produced globally every year. PGMs are also used extensively in jewellery production.

The J-M reef geological formation in south-central Montana, accessed by the company's Stillwater and East Boulder mines, is the only known significant source of PGM deposits in the US. It is also the highest-grade PGM deposit known in the world.

Sibanye-Stillwater operates three integrated facilities in Montana: the Stillwater mine near the town of Nye in Stillwater County, the East Boulder mine near the town of McLeod in Sweet Grass County and the Metallurgical Complex in Columbus.

Stillwater (operated since 1986) and East Boulder (operated since 2001) are shallow to intermediate-level underground mines. The Columbus Metallurgical Complex includes a smelter, base metal refinery and an analytical laboratory. In addition to platinum and palladium mining, the complex also recycles PGMs from spent catalytic converters.



WHAT MINING GIVES BACK

The state of Montana is highly reliant on natural resource activities, including mining, as a source of state revenues. The capital-intensive nature of mining presents a particularly significant property tax base.

Hard-rock mining companies like Sibanye-Stillwater pay the state:

- metal mines tax based on the gross value of the commodity
- net proceeds property tax based on tonnes produced times a statutory value of the commodity adjusted for an annual inflation factor remitted to the state
- gross proceeds property tax based on the gross value of the commodity less allowable deductions distributed to the taxing jurisdiction where the production occurred
- property taxes on other types of property owned by the mine (such as land holdings, commercial property, pollution control equipment and business equipment) and corporation income tax based on income earned in the tax year

With operations ultimately accounting for more than US\$500 million in additional personal income each year, as well as US\$1.5 billion in economic output, it is clear that the impact of operations on tax revenues extends far beyond those paid directly by Sibanye-Stillwater.

For more information on our social upliftment, refer to our 2018 Integrated Annual Report.

HOW MINING IMPROVES LIVES

The US PGM operations were acquired by the Sibanye Group in May 2017, which subsequently rebranded to Sibanye-Stillwater. At the time, it employed more than 1,500 people (2018: 1,626) with total wages and benefits of close to US\$182.3 million* (2018: US\$170.3 million) of which approximately US\$11.7 million (2018: US\$12.3 million) constituted payroll taxes. The impact on property taxes in the Stillwater and Sweet Grass counties was particularly noteworthy at an estimated US\$4.7 million (2018: US\$4.5 million) per year.

In 2017, the median total compensation was US\$103,258 per year, excluding benefits (2018: an average of US\$98,794), which is more than double the state average, translating into significant purchasing power in support of other Montana jobs.

The presence of the mines and the processing facilities ultimately increases the population of Montana by 10,700 (including 6,000 working-age adults).

Direct economic impacts

	2018	2017*
Number of employees	1,626	1,505
Total payroll	US\$170,341,340	US\$182,850,651
Total taxes paid	US\$18,965,931	US\$16,569,361
Total purchases	US\$493,810,746	US\$441,765,840
Total employee taxes	US\$40,038,613	US\$44,552,370

* 2017 employee earnings and employee tax were higher due to share-related vesting and pay-outs due to the acquisition of Stillwater



Employees at the Stillwater mine portal in the US

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