



OUR MINING IMPROVES LIVES

**US PGM OPERATIONS**



**MINING  
SUPPORTS  
MONTANA**



**FACT SHEET 2020**

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.

**STUDY OF ECONOMIC IMPACT  
IN MONTANA**

Published initially in January 2019, a study conducted by the Bureau of Business and Economic Research (BBER), based at the University of Montana, concluded 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 study also found that the

**“The mining, processing, and recycling operations of Sibanye-Stillwater in south central Montana have increased significantly since the BBER study examined their economic footprint in 2018. At a time when a global pandemic has disrupted ordinary social interactions and has profoundly affected economic activity that relies on bringing people together in ways once considered ordinary, the continued success of the mining company in growing its platinum group metals (PGM) activities, serving a growing global market, stands out as an important exception to the trend.”**

**The Continuing Economic Contributions of Sibanye-Stillwater in Montana, Bureau of Business and Economic Research, University of Montana, December 2020.**

Group’s economic footprint in the state has expanded, with headcount employment, total payroll paid and the value of output increasing considerably since 2017.

The principal purpose of such an analysis is to map the benefit arising from the existence and operation of Sibanye-Stillwater. By analysing the economic footprint and the value-creation, the distribution thereof and appraising Sibanye-

Stillwater’s wider socio-economic impact helps to provide strategic review of our impact on all stakeholders.

The contributions to Montana were measured in terms of production, employment, spending and tax revenues. Given the anticipated continued growth of the US operations, future economic contributions would generally exceed the results of this study year-on-year.



### MEASURABLE ECONOMIC ACTIVITY

To fully capture the impact Sibanye-Stillwater's operations have on the state economy, the Regional Economic Models, Inc. (REMI) model was used to calibrate data. Through this modelling, it was discerned that, the economic benefits to the state of Montana in 2019 from Sibanye-Stillwater's operations included:

- More than 9,000 permanent year-round jobs across a wide spectrum of industries
- US\$828 million in annual recurring income received by Montana households (US\$743 million disposable after-tax income)
- State tax and non-tax revenues of approximately US\$128 million annually
- Over US\$3.04 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 largest 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

### WHY MINING MATTERS

Sibanye-Stillwater is a global precious metals mining group with a significant presence in South Africa and Montana. It is the world's largest producer of platinum group metals (PGMs), primarily platinum and palladium. PGMs are a critical component of catalytic converters found in almost all of the 97 million cars and trucks produced globally every year (pre-COVID-19). PGMs are also used extensively in jewellery production.

The US PGM operations were acquired by the Sibanye Group in May 2017, which subsequently rebranded to Sibanye-Stillwater.

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 (in operation since 1986) and East Boulder (in operation since 2002) 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.

**"Sibanye-Stillwater is a global precious metals mining group with a significant presence in South Africa and Montana."**

### 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\$827 million in additional personal income each year, as well as US\$3.04 billion in economic output, it is clear that the impact of operations on tax revenues extends far beyond those paid directly by Sibanye-Stillwater.



### HOW OUR MINING IMPROVES LIVES

The ultimate contributions made by Sibanye-Stillwater’s Montana mining operations to the state economy are clearly larger than the direct purchases, payroll and production at the mine itself. They are also larger than those reported in the BBER study in 2018.

In 2019, the median total compensation was US\$106,557 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 15,694.

### Direct economic impacts

	2019	2018	2017
Number of employees (excluding contractors)	1,789	1,626	1,505
Total payroll (US\$000)	204	170,341	182,851
Total taxes paid (US\$000)	22,634	18,966	16,569
Total purchases (US\$000)	334,819	493,811	441,766
Total employee taxes (US\$000)*	44,864	40,039	44,552

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

### 2020 UPDATE

While the focus of this study was economic data from the 2019 financial year, the rapid changes in markets that occurred as a result of the COVID-19 pandemic, compelled an update in December 2020 to reflect the strong growth and performance experienced over the last year.

According to updated data, the value of output produced in just the first six months of 2020 was on a pace to record a 45% increase over the highs of 2019. While most of this was due to metal price changes, it also confirmed Sibanye-Stillwater’s ability to maintain and slightly grow its physical output in the face of pandemic and other socio-economic challenges.

For more information on our social upliftment, refer to our 2020 Integrated Annual Report.

### FOR MORE INFORMATION, CONTACT:

**James Wellsted**  
Senior Vice President: Investor Relations  
Email: [ir@sibanyestillwater.com](mailto:ir@sibanyestillwater.com)  
Website: [www.sibanyestillwater.com](http://www.sibanyestillwater.com)

**OUR VISION:** Superior value creation for all our stakeholders through the responsible mining of our mineral resources