



STILLWATER MINING COMPANY

Audit and Non-Audit Services Pre-Approval Policy

December 30, 2004

Purpose

Proposed services either may be: pre-approved without consideration of specific case-by-case services by the Audit Committee (“general pre-approval”); or require the specific pre-approval of the Audit Committee (“specific pre-approval”). The Audit Committee believes that the combination of these two approaches results in an effective and efficient procedure to pre-approve services performed by the independent auditor. Unless a type of service has received general pre-approval, it requires specific preapproval by the Audit Committee if it is to be provided by the independent auditor. Any proposed specific individual project to provide an otherwise generally approved service whose expected fees exceed \$25,000 requires an overriding specific pre-approval by the Audit Committee.

For both types of pre-approval, the Audit Committee considers whether such services are consistent with the SEC’s rules on auditor independence. The Audit Committee also considers whether the independent auditor is best positioned to provide the most effective and efficient service, for reasons such as its familiarity with the Company’s business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance the Company’s ability to manage or control risk or improve audit quality. All such factors are considered by the Audit Committee in its business judgment as a whole, and no one factor is determinative.

The following tables describe the Audit, Audit-related, and Tax services that have the general pre-approval of the Audit Committee. The term of any general pre-approval is 12 months from the date of pre-approval, unless the Audit Committee considers a different period and states otherwise. The Audit Committee annually reviews and preapproves the services that may be provided by the independent auditor without obtaining specific pre-approval from the Audit Committee. The Audit Committee adds or subtracts to the list of general pre-approved services from time to time, based on subsequent determinations.

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The purpose of this policy is to set forth the procedures by which the Audit Committee intends to fulfill its responsibilities. It does not delegate the Audit Committee's responsibilities to pre-approve services performed by the independent auditor to management.

The Audit Committee may delegate either type of pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Non-Audit Services Committee is a subcommittee of the Audit Committee and any member of such committee is authorized to provide general and specific approval of non-audit services. The Audit Committee hereby designates the audit Committee Chairperson to be the primary member of the Non-Audit Services Committee.

The annual Audit services engagement terms and fees are subject to the specific preapproval of the Audit Committee. Audit services include the annual financial statement audit (including required quarterly reviews), subsidiary audits and other procedures required to be performed by the independent auditor to be able to form an opinion on the Company's consolidated financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the audit or quarterly review. Audit services also include the attestation engagement for the independent auditor's report on management's report on internal controls for financial reporting. The Audit Committee will monitor the Audit services engagement as necessary, but no less than on a quarterly basis, and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Company structure or other items.

In addition to the annual Audit services engagement approved by the Audit Committee, the Audit Committee may grant general pre-approval to other Audit services, which are those services that only the independent auditor reasonably can provide. Other Audit services may include statutory audits or financial audits for subsidiaries of the Company and services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

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The Audit Committee has pre-approved the Audit services listed above. All other Audit services not listed above must be specifically pre-approved by the Audit Committee.

The Audit Committee reviews, pre-approved Audit services for necessary revisions each year.

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the independent auditor. Because the Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor and is consistent with the SEC's rules on auditor independence, the Audit Committee may grant general pre-approval to Audit-related services. Audit-related services include, among others, due diligence services pertaining to potential business acquisitions/dispositions; accounting consultations related to accounting, financial reporting or disclosure matters not classified as "Audit services"; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; financial audits of employee benefit plans; agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters; and assistance with internal control reporting requirements.

The Audit Committee has pre-approved the Audit-related services listed above. All other Audit-related services not listed in above or individual projects for services listed above which are anticipated to exceed \$25,000 must be specifically pre-approved by the Audit Committee. The Audit Committee reviews pre-approval Audit related services each year.

The Audit Committee believes that the independent auditor can provide Tax services to the Company such as tax compliance, tax planning and tax advice without impairing the auditor's independence and the SEC has stated that the independent auditor may provide such services. Hence, the Audit Committee believes it may grant general preapproval to those Tax services that have historically been provided by the auditor, that the Audit Committee has reviewed and believes would not impair the independence of the auditor, and that are consistent with the SEC's rules on auditor independence. The Audit Committee will not pre-approve the retention of the independent auditor in connection with a transaction of which the sole business may be tax avoidance and the

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tax treatment of which may not be supported in the Internal Revenue Code and related regulations.

The Audit Committee has pre-approved the Tax services listed above. All other Tax services not listed in above or individual projects for services listed in above which are anticipated to exceed \$25,000 must be specifically pre-approved by the Audit Committee. The Audit Committee will review pre-approved tax services.

The Audit Committee believes, based on the SEC's rules prohibiting the independent auditor from providing specific non-audit services, that other types of non-audit services are permitted. Accordingly, the Audit Committee believes it may grant general pre-approval to those permissible non-audit services classified as All Other services that it believes are routine and recurring services, would not impair the independence of the auditor and are consistent with the SEC's rules on auditor independence. All Other services must be specifically pre-approved by the Audit Committee.

Administration

The general supervision and administration of this policy is the responsibility of the Stillwater Mining Company Chief Financial Officer. Any questions and/or exceptions are to be cleared through such office.

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Appendix A – Audit Services

Pre-Approved Audit Services for Fiscal Year _____

Date: _____

Audit Service
Financial audits of the Company and its subsidiaries
Services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g. comfort letters, consents), and assistance in responding to SEC comment letters
Attestation of management reports on internal controls
Consultations by the company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard setting bodies (Note: Under SEC rules, some consultations may "audit related" services rather than "audit" services)

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Appendix B – Audit Related Services

Pre-Approved Audit-Related Services for Fiscal Year _____

Date: _____

Service
Due diligence services pertaining to potential business acquisitions/dispositions
Financial statement audits of employee benefit plans and SEC filings thereon
Consultations by the company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (Note: Under SEC rules, some consultations may be "audit" services rather than "auditrelated" services)
Attest services not required by statute or regulation
Statutory or subsidiary audits incremental to the audit of the consolidated financial statements
Closing balance sheet audits pertaining to dispositions
General assistance with implementation of the requirements of SEC rules or listing standards promulgated pursuant to the Sarbanes-Oxley Act

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Appendix C – Tax Services

Pre-Approved Tax Services for Fiscal Year _____

Date: _____

Service
U.S. federal, state and local tax planning and advice
U.S. federal, state and local tax compliance
International tax planning and advice
International tax compliance
Review of federal, state, local and international income, franchise, and other tax returns
Domestic and foreign tax planning, compliance, and advice
Assistance with tax audits and appeals before the IRS and similar state, local and foreign agencies
Tax advice and assistance regarding statutory, regulatory or administrative developments
Expatriate tax assistance and compliance
Mergers and acquisition tax due diligence assistance
Tax advice and assistance regarding structuring of mergers and acquisition

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Exhibit 1

Prohibited Non-Audit Services

- Bookkeeping or other services related to the accounting records or financial statements of the audit client
- Financial information systems design and implementation
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports
- Actuarial services
- Internal audit outsourcing services
- Management functions
- Human resources
- Broker-dealer, investment adviser or investment banking services
- Legal services
- Expert services unrelated to the audit