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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the company's Strategy and 2014 Guidance Conference Call.

At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time. (Operator Instructions). Also, as a reminder, this teleconference is being recorded.

At this time, I will turn the conference call over to your host, President and CEO of Stillwater Mining Company, Mr. Mick McMullen. Please go ahead sir.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Thank you very much and thanks, everyone, for joining this afternoon. I have Greg Wing, our Chief Financial Officer, here with me as well. And today's call is really to update people on our strategy and our 2014 guidance. And we do have a presentation which is available on our Investor Relations page of our website, on the StillwaterMining.com website, for those of you who haven't accessed it so far.

We have earlier today released our 2013 production, and I will discuss that later.

The main purpose of today's call really is to update people on the way forward for the company.

And you will note on the presentation we have the usual forward-looking statements, and I draw everyone's attention to that on Page 2. And I would like you to read that at your leisure.

So if we -- moving on to Page 3 of the presentation, Stillwater Mining Company has some core strengths that really attracted me as the CEO recruit for the business. And we do have world-class PGM mining assets in a very mining-friendly jurisdiction. And that is not something that all companies can say they have results, and we are uniquely positioned, I believe, to benefit from forecasted supply chart shortages.

We are benefiting from a growing industrial market demand which (technical difficulty) substitutes for our mining product, which is Palladium. And our focus going forward now is on producing quality ounces and cash flow improvement. And that's possibly a deviation from previous strategy where we were more focused on the growth strategy, now we are primarily focused on a cash flow strategy and if that comes with growth, so be it, but we are not focused on growth for growth's sake.

We see a significant opportunity to increase value and capacity utilization of our refining and smelting facility through some strategic supply alliances. We have an excellent liquidity profile. We had, at the end of the September quarter, $464 million in cash and cash equivalents and an undrawn credit facility of $96 million. And I think, for a mid tier PGM or precious metal miner, that is a fantastic liquidity position and it puts us in a very strong position.

Our focus going forward is on PGM assets in lower geopolitical risk jurisdictions. And I think, again, that is a clear strategy that we want to get across to the market out of today's discussion. That is our focus going forward.

Moving to the next slide, we have four areas that we are focused on for change. And they are operational improvements, financial optimization, portfolio management, and corporate governance. And I'll talk to each of those in some detail over the following slides.

Operational improvements. We have three key areas of operations at this point, which are mining, processing and recycling. And firstly, across the whole business, we want to maintain and improve our safety and environmental excellence. Key to us is maintaining our social license to operate and making sure that our people are safe. That must be the basic tenet of any business on a go-forward basis, particularly for us where we have very long mine lives and so it's very important for us to maintain our social license.

In the mining area, we want to maximize the value of output from the Montana mines. We want to improve productivity, and we want to reduce production costs. And I have a slide coming up shortly which will talk to all of these.

In the processing area, again we want to maximize value of output from our Montana mills, we want to improve productivity and reduce our production costs. And we want to optimize performance with our metallurgical facilities and fill existing capacity.

In the recycling business, this is a business which hasn't in the past I think had very good visibility in the marketplace and actually is one of our core business units. We see significant potential here to increase tolling volume and secure supply with additional material, and also to invest in new technologies. And you will see going forward in our future press releases that our recycling business is going to become more and more to the forefront because, again, we believe we have a world-class operation in the recycling business here.

On the financial optimization, a key tenet of that is capital allocation. So, our capital allocation priorities are now focused on strong payback projects. We will not invest capital in projects which don't provide an adequate financial return to our shareholders.

And I hope that, by the end of this presentation, that our shareholders and analysts will understand that the focus of the business going forward is to provide a return to shareholders. We intend to optimize our capital structure. Again, our focus is on returns to shareholders. We would like, at some stage, to be able to provide a return to our shareholders.

Cost reductions. Our intention is to reduce our per ounce costs across operations while focusing on long-term value and safety. Today, we have a very long-term business plan here. We can do certain things which would give us a much better return in the short-term, but would mortgage or impinge on our long-term ability to operate. So we are going to do things that will reduce our costs, but also preserve the long-term value of the business.

We are reducing our expenses in areas that don't impact operational safety performance, and we are controlling our holding costs of some of our portfolio while retaining optionality of those development and exploration projects.

You will see two graphs to the right here. Our 2014 guidance for the marketing G&A, research and develop, exploration, approximately a 40% pull up from 2013 actual (inaudible). A similar pattern for our project capital expenditure and openings. Between 2013 and 2014 guidance, about 40% fall in spend. And these translate into some quite significant dollar savings if you have a look at the millions of dollars on the left-hand axis above those graphs.

On capital expenditures, we will minimize investments in non-core assets with a focus on maintaining long-term optionality. Again, this comes back to capital allocation priorities where we invest our money in things that will make returns for our shareholders.

The next slide in terms of our mining improvement are lower cost ounces. So we are looking to focus on maximizing our higher-margin production ounces. And we are going to measure our costs against fully-loaded costs, so including SG&A, maintenance capital expenditure, so on an all-in basis. We can see some substantial potential to improve work and productivity, and align resources to a more mining focused workforce.

We would like to increase utilization of both our mills to improve returns. Both of our facilities are running at below full capacity, in particular East Boulder, which is running at approximately 1300 tons a day versus a 2000 tons a day capacity. So we have significant inbuilt lightened capacity fully expensed. CapEx has been spent on these. And our challenge now, and the challenge that I'm issuing to our management teams is to fill those facilities up.

We can see some potential to increase mill recovery rates. And the current low attrition rate we have provides us some opportunities to scale back successful recruiting and training programs while managing our total workforce.

So historically in the past, the company has had, at times, relatively high attrition rates, which is high worker turnover. The company has been proactive in terms of managing that and implementing some training programs. And that has been very successful in reducing our worker turnover rate very significant. And that now has put us in a very strong position.

On the financial measures, we are challenging all of our costs, so we're going back to basics at this company and looking at our costs from the bottom up and looking at all areas that we can save money. We are significantly reducing our costs that don't directly impact on producing profitable PGM ounces or compromise safety or impact on our environmental standards. We have, starting with my compensation, commenced restructuring executive renumeration and compensation packages so that our outcomes are more closely aligned with profitability and shareholder outcomes. And I think that's a key thing that shareholders were quite keen to see, and the Board has taken note of that, and that's the new structure that's in place.

We are empowering our site managers to be responsible for costs and to be accountable for cost control. We've made some organizational changes, which I think will allow our site managers to have better control of their costs, but also importantly will allow the Board and myself to hold people accountable so that we know who is in charge of what costs and that we can then drive those costs down.

We are looking to optimize our working capital position and our metal sales procedures so that we achieve a higher pricing and potentially have a better outcome for shareholders in terms of their working capital.

Moving onto the next slide, the Altar project, it's a non-core mining asset for us. It is not a PGM asset. It is copper, and therefore it's non-core. We still see that it has significant lightened value in the project.

On the top right-hand table, you will see the change in the resource estimate. It's increased quite significantly since the company purchased the asset. And there is another table or graph below it which lists the world's top 20 by metal, predevelopment copper assets. And those of you with a calculator can work out based on the tonnages and grades above that we would fall around the middle of that list. So this is in the roundabout in the top 10 to 15 undeveloped copper assets globally.

We did take an impairment charge on this asset in the third quarter of last year, and we felt that was appropriate given the current market conditions. And further material investment by us in this asset on hold, given our corporate focus and market conditions. We are conducting a strategic review of the asset, and we have given guidance previously that we will spend a nominal amount of money on this asset during 2014. I think circa $3 million I think we --

Greg Wing - *Stillwater Mining Company - CFO, VP*

It can be $3 million to $4 million. That's correct.

Mick McMullen - *Stillwater Mining Company - President, CEO*

In that area. And really we are doing that to maintain our long-term optionality on this asset. We do believe it has significant lightened valuing, but I think it's important for shareholders to understand that the spend that we are forecasting and planning on over the next year or two on this is relatively modestly in comparison to previous years.

Going on to the next slide, the Marathon project, this gives us optionality in the PGM space. The project does fit within our strategy of focusing on PGM assets in low political risk jurisdictions. It's in Canada. It's a PGM predominantly with some copper asset.

Also fairly importantly is we do have a very high quality joint venture partner here in the form of Mitsubishi who hold a 25% stake and we hold a 75% stake. Our estimated maximum spend for this calendar year is in the range of $5 million to $10 million, which is basically on completion of feasibility study, some option studies, and some permitting work. And importantly, there will be no new cash calls from the partners required in 2014. Again, I think that's one of the key things that people need to understand, is that the cash call requirement from us in this year is minimal.

We are committed to completing the feasibility study and a project optimization process. We are undertaking a strategic review, including looking at the carrying value of the asset. And further material capital will only be committed by us if this project demonstrates suitable financial returns.

Again, we are ranking all of our development, both in Montana and outside Montana opportunities, and each of those development opportunities has to compete with each other for capital. And we will only commit capital if it generates a suitable return for shareholders. Assuming that the project meets those financial hurdles, the best-case scenario would be to commence construction in the medium-term. It is unlikely we would do anything on this in the very near term.

Setting now onto the slide on the corporate governance, under leadership, we have a strong commitment to best-in-class corporate governance. I think all shareholders and analysts would be aware of the change of Board that occurred at the AGM last year, and some of the desires of shareholders to see change. And I guess my appointment is a step in that process.

I've got a 20-plus year history of the mining industry, and certainly for the last 10 years of investing my own money and hence my strong focus on shareholder returns, because I'm often a large shareholder in businesses. We have a Board of Directors now that I think have got a very broad range of experience, six independent directors. And I think between all of the directors, we bring to the company a very good range of expertise, and I think shareholders can feel comfortable that we have the right team in place.

Accountability is another core aspect for this, so we have rearranged the internal reporting system to sort of tie responsibilities to relative business functions. It basically means now that I know where to go when I want to find something out and that we can task individuals and empower individuals with actually driving better outcomes for the company and the shareholders.

Let's say the management compensation, we are now tying it to total shareholder return and returns on capital. And the compensation structure is now flowing down through the organization will align the performance with the achievement of the desired outcomes. And the focus going forward is on driving a return on capital and trying to align management's interest with shareholder value.

That brings us to the 2014 guidance, the full-year guidance. We've also give in this table the 2013 actual mine production which we announced this morning, which came in ahead of our revised guidance. And we are giving some ranges for the cash costs and overhead and capital expenditures for 2013.

And for 2014, we are guiding, at this point, to mine production of between 515,000 and 530,000 ounces of palladium and platinum. Total costs, cash costs, for that are between $550 and $600 an ounce. The corporate overhead between $40 million and $50 million, which sort of equates to $75 to $97 an ounce, and capital expenditures of $165 million to $175 million for the year.

We do note at the bottom of that slide that the management reviews our guidance on a quarterly basis to basically reset based on what we know in each quarter. And I will note that, last year, our production guidance was up around two to three times and we still managed to break that.

The 2014 guidance that we are providing here is before we make any of the changes on a go-forward basis. And so there is a body of work which is underway now. I've been in the role for six weeks. There's quite a bit of work happening, quite a few changes underway. I think the market can expect to hear more on our guidance as we go forward, and I think that we've had a very strong finish to the 2013 year -- 2014 to start it off on a similarly strong trend. And so I'm very, very comfortable with the guidance that we've put out here. And as some of this work gets underway, is completed, we will be able to come back to the market and provide OpEx.

And that's all I have for the presentation. Greg, unless you have -- do you have any other comments?

Greg Wing - *Stillwater Mining Company - CFO, VP*

No. Again I'd just reiterate that it feels like the company has good momentum at this point. The performance in the fourth quarter came in very strong, and we are -- again, the markets are looking up a little bit as we come into the beginning of 2014. So, again, while it's very early, we are anticipating a good year this year as well.

Mick McMullen - *Stillwater Mining Company - President, CEO*

And we would now like to open the floor for any questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). David Gagliano, Barclays.

David Gagliano - *Barclays Capital - Analyst*

Hi. First of all, thank you for laying out the 2014 plans and the change in strategy very clearly. I do have a few questions on each of the buckets. First on the -- in no particular order, on the Marathon project, you mentioned best case scenario commence construction in the medium-term. What do you mean by medium-term, i.e. in terms of what year in a best case scenario should we expect construction at Marathon?

Mick McMullen - *Stillwater Mining Company - President, CEO*

It's a good question, but it's subject to a couple of things, one of which is permitting, which is a fairly long and not necessarily easily defined process. And the other one is obviously we had a joint venture partner, and so we'd need to go through a process with them. But I think the best I could say is that it's unlikely that anything would happen on that within the next three years.

David Gagliano - *Barclays Capital - Analyst*

Okay, that's helpful. And then at the Montana operations, obviously there's been underutilized mill capacity there for a long time, and it makes sense to try and wrap it up. My understanding is though that the last time there was an attempt to ramp up the utilization rates at the mills, it did create some issues throughout the mine. So, I'm curious what steps are being taken to avoid some of the pitfalls that happened the last time those utilizations were ramped aggressively?

Mick McMullen - *Stillwater Mining Company - President, CEO*

I think, initially, we are not looking at an aggressive ramp up. But since the last time, particularly as [Boulder] was sort of running it or trying to run it at a higher rate, the developed state of the mine has advanced quite significantly. And so the CapEx spend over the last two years, for instance, a significant amount of that has been involved in advancing and maintaining the developed side of the mine. So, mine management would probably be able to give a better answer. But my understanding is the developed state of the mine is probably the best it's ever been.

Greg Wing - *Stillwater Mining Company - CFO, VP*

The manpower, as you mentioned, is in very good shape as well --

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Mick McMullen - *Stillwater Mining Company - President, CEO*

Yes.

Greg Wing - *Stillwater Mining Company - CFO, VP*

-- which was always a constraint in the past. And I think the other point is while we want to fill these up, again we had an emphasis on quality ounces, which means that we are not going to lose track of margins in the process of doing that, so it's a bit of an interactive element. But as we ramp things up, we will be very cautious of logistics and what is effective in terms of controlling costs at the same time.

Mick McMullen - *Stillwater Mining Company - President, CEO*

And very small at particularly again Graham Creek. The development project it's been underway for some time there, that's pretty well by the middle or the late end of this year it's ready to go. So all of a sudden we've got a significant new area that's been opened up where we can source production from.

David Gagliano - *Barclays Capital - Analyst*

Okay. So just are these I guess the targeted increases in the utilization rates more tied to Graham Creek and Blitz, or towards expansion that we don't already know about at the existing workings?

Mick McMullen - *Stillwater Mining Company - President, CEO*

A little bit of both, actually.

David Gagliano - *Barclays Capital - Analyst*

A little of both.

Mick McMullen - *Stillwater Mining Company - President, CEO*

And I think also there's a bit of -- there is some optimization work that is underway now where we think we can squeeze a bit more out without too much additional capital. But yes, there are two, there are a couple of large development projects that have been underway for some time that will start to make their presence felt over the next -- well, starting in about six months, eight months, through the next couple of years.

David Gagliano - *Barclays Capital - Analyst*

Okay. And then just my last question on the recycling side. Obviously, recycling volumes are always impressive, but the profit contribution is typically pretty small. To my understanding, it's a pretty low margin business. Is there a reason for us to expect the margins to improve in the recycling business moving forward? And if so, what's the path in terms of getting there?

Mick McMullen - *Stillwater Mining Company - President, CEO*

Well, actually, the more you fill it up, the more the margin grows. And I'm just looking for the number off the top of my head. We did have a bit of a one-off advantage in the previous quarter before the fall. But for the nine months, I think that recycle business made around about $30 million?

Greg Wing - *Stillwater Mining Company - CFO, VP*

Yes.

Mick McMullen - *Stillwater Mining Company - President, CEO*

So actually it's not -- for a business that no one sort of pays much attention to, to make $30 million in nine months is not a bad return. So, the more we can fill that facility up, the higher the margin gets, because you've got a large fixed cost component. And so look. There is quite a bit of potential there to make significantly extra money on that business.

David Gagliano - *Barclays Capital - Analyst*

So just to follow up on that, do you think that $10 million per quarter run rate is sustainable moving forward? Or I thought there was a little bit of some bricks flowing through last quarter that were not necessarily sustainable.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Yes, look, there was, and it will be a little bit lower than that. But I think as a business -- my $20 million a year, something, right, maybe a little bit more is sort of our business.

David Gagliano - *Barclays Capital - Analyst*

Okay, perfect. Thanks very much.

Operator

John Bridges, JPMorgan.

John Bridges - *JPMorgan Chase & Co. - Analyst*

Good afternoon Mick, Greg, everybody. Many thanks for the vision.

I'm wondering if we could get a little more detail on (inaudible). It's difficult to value because we still don't know how much palladium there actually is in this thing. I know you're still working on the feasibility study, but when are we going to learn that number so we can actually value it?

Mick McMullen - *Stillwater Mining Company - President, CEO*

Look. I think the study is sort of ongoing, and one of the issues we have obviously is that, under SEC rules, we can't actually report a minimal resource, so that sort of makes it somewhat difficult to get it out there without having the formal reserve.

The previous information that's been put out has been that there has been sort of material reduction in grade from what had been assumed. I think that we would like to get to a position where within the next six months we can get something out that people can put a valuation on, and then you can put a value around it at that point I think.

John Bridges - *JPMorgan Chase & Co. - Analyst*

Okay. So you can't just give us a percentage difference between what was previously published and what you found to be the current case?

Mick McMullen - *Stillwater Mining Company - President, CEO*

I don't believe we can under SEC guidance rules.

John Bridges - *JPMorgan Chase & Co. - Analyst*

Okay. [Barry] operates the Hemlo mine quite close to Marathon. I seem to remember there was some interest when Hemlo was looking as it was going to close a couple of years ago that there was some pressure from the town to actually build your Marathon mine quicker. Are you talking to the locals there, given the likely pull-back in the life of Hemlo's? Is that part of the calculation? Are you encouraged by the Canadians to build the thing fast?

Mick McMullen - *Stillwater Mining Company - President, CEO*

I think, in terms of the local populace, the answer would be yes, but that's not necessarily how the permitting process works is probably the best way to put it.

John Bridges - *JPMorgan Chase & Co. - Analyst*

Okay. And then I was a bit confused by your last answer to David on the margins because the overhead for the recycling is the overhead of the company, which is something which is paid for already. So I'm a bit confused as to how the margins are going to increase.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Well, you have fixed costs out of the facility, and the more you put through it, the higher the margin you've got.

John Bridges - *JPMorgan Chase & Co. - Analyst*

Okay. And you really have quite a significant market share within the US. So, how much more do you think you can get? Our experience with Stillwater has been that this is a pretty volatile business as well. So what is your vision for adding these extra recycle blocks?

Mick McMullen - *Stillwater Mining Company - President, CEO*

I think, one, we don't have an -- what we have our largest market share in North America, but not -- I think there's potential to grow it. But importantly, we collect not only from North America, and there are some markets that we are collecting from outside North America where we actually are a very, very small part of the recycle fee business, and so it's those areas where we have identified that we have potential to grow the business.

John Bridges - *JPMorgan Chase & Co. - Analyst*

Okay. Great. I really look forward to finding out how much palladium there is in Marathon. Thank you.

Operator

(Operator Instructions). Sam Dubinsky, Wells Fargo.

Sam Dubinsky - *Wells Fargo Securities LLC - Analyst*

Great. Thanks for taking my question. What do you think is a good level of cash to have on the balance sheet going forward? And is there any potential for share buybacks or maybe restructuring that dilutive convert? And I have a follow-up question.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Okay. In terms of giving you a hard number of cash that we should have on the balance sheet, I don't think that would be appropriate for me to quote a number at this point, and obviously it would need to be a net cash number. But yes, I think, when I talked about focus on shareholder returns and returning something to shareholders, clearly many shareholders have expressed a desire to see a return and criticism of the company that they have not done so over the years.

So my goal, let's be clear here. My goal is to return something to shareholders over the not-too-distant term, and we are examining what form that may or may not take, but it would be somewhat early for me to, at this stage, commit to anything, given that I've been in the role for six weeks. But our aim as a company is really to provide a return for shareholders, and that could come from a range of options, including a buyback, as you suggested, or a dividend or something similar. But I can't give you a definitive answer at this stage as to what the plan is. But yes, that's certainly the way that we are looking.

Sam Dubinsky - *Wells Fargo Securities LLC - Analyst*

Okay. Great. And then on your $165 million to $175 million in CapEx guidance, how much of that is maintenance? And then also what's your tax rate expectations for next year, for 2014?

Greg Wing - *Stillwater Mining Company - CFO, VP*

Okay. I Actually took a look at that earlier today in terms of the guidance we are giving. It looks like the sustaining portion of that this year, which actually includes more Far West and some other development that may or may not be regarded as sustaining in a true sense at Nye. We've got about $130 million of that that's sustaining, and about $42 million that would be assigned to project capital, if you will, with the bulk of that being Blitz and the second of that being sort of the position at Marathon. Graham Creek is virtually finished, so not too much money left to spend there.

Sam Dubinsky - *Wells Fargo Securities LLC - Analyst*

Okay. And tax rate?

Greg Wing - *Stillwater Mining Company - CFO, VP*

Tax rate I think in the US of course we are subject to AMT. So that's a 20% marginal rate, if you will, more or less. And then, worldwide, we are up probably in the 40-plus% range, around 40% I think. That may come down a little bit depending on the amount of activity we have in the foreign operations, but at this point that's the kind of rate we are looking at.

Sam Dubinsky - *Wells Fargo Securities LLC - Analyst*

Okay. My last question is just on geology and whatnot. Obviously, you're tidying up operations, but your output is higher in 2014 versus 2013. You're cutting spending, and I believe you said that number is somewhat conservative. Is this an issue of just the geology of the mine, and that's sort of more of a one-year phenomenon, or is this, going forward, we should expect at least a 515 to sort of a 530 range in terms of ounces of output?

Mick McMullen - *Stillwater Mining Company - President, CEO*

I think you can expect that going forward. I don't think we've had particularly favorable geology that's given us a wing. The only thing I would say is that because we are not chasing ounces for chasing ounces sake, if we can identify opportunities to perhaps have lower production but at significantly higher margin, that may be something we would consider.

Sam Dubinsky - *Wells Fargo Securities LLC - Analyst*

Okay, great. Thank you very much and good luck.

Operator

John Tumazos, John Tumazos Very Independent Research.

John Tumazos - *John Tumazos Very Independent Research LLC - Analyst*

Good afternoon. My question is similar to Sam's. You have $464 million in cash. If you don't spend the money on the Marathon project, should we expect you to use the money to repay debt, acquire some other project, or distribute it to shareholders? And I think that's an entirely reasonable question.

Mick McMullen - *Stillwater Mining Company - President, CEO*

And my answer will be the same as what it was previously, which is our goal is to provide a return to shareholders, and so we are examining forms of capital management. I think that it's unlikely, although you can never say never, but it's unlikely we would be using it to acquire something unless a very good opportunity came up. And so I think the preference for the Board is to ensure that we maintain an appropriate level of cash, net cash, on the balance sheet, and excess cash is available for redistribution in some form or another to shareholders.

John Tumazos - *John Tumazos Very Independent Research LLC - Analyst*

Thank you.

Operator

Lila Murphy, Federated.

Lila Murphy - *Federated Investors, Inc. - Analyst*

Good afternoon gentlemen. Thank you for hosting this call. And I have a few questions for you. What sort of throughput and grade assumptions underlie your 2014 production estimate?

Mick McMullen - *Stillwater Mining Company - President, CEO*

I will need to pull the (inaudible) out, but it's not really much different to where we are now, which is about 2300 tons per day from the Nye mine and approximately 1300 tons per day through the East Boulder mine. Right off the top my head I can't recall, but it's -- the recoveries of each mine are approximately 89% and 90% for the other one. So you can back-calculate that.

Greg Wing - *Stillwater Mining Company - CFO, VP*

I think at Stillwater it's around 0.55, and at East Boulder it's probably just south of 0.4. So say 0.3 (multiple speakers).

Mick McMullen - *Stillwater Mining Company - President, CEO*

And all short tons.

Greg Wing - *Stillwater Mining Company - CFO, VP*

That's ounces per ton, which you can convert to grams.

Lila Murphy - *Federated Investors, Inc. - Analyst*

Got it. Thank you. And then will you be offering more detail in the future regarding mine site operating costs, perhaps a future 12 months look at mine plan and, you know, help the Street a little bit more with guidance and a little bit more transparency as it relates to the actual mining operation?

Mick McMullen - *Stillwater Mining Company - President, CEO*

Sure, within the confines of SEC reporting requirements, yes.

Greg Wing - *Stillwater Mining Company - CFO, VP*

I don't think we've ever taken the view -- if you look at our 10-K, it's pretty thick. I don't think we've ever taken the view that we have secret information that we don't want share. To some extent, it's a question of people letting us know what they would like to see, and we are happy to be responsive to that, obviously on a broad-based disclosure basis.

Lila Murphy - *Federated Investors, Inc. - Analyst*

Understood.

Mick McMullen - *Stillwater Mining Company - President, CEO*

(multiple speakers) something like dollars per ton mining costs, dollars per ton sustaining CapEx, dollars per ton process costs, dollars per ton G&A sort of basis. Is that right?

Lila Murphy - *Federated Investors, Inc. - Analyst*

Precisely, yes.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Yes.

Lila Murphy - *Federated Investors, Inc. - Analyst*

Yes. And then I'm sorry to talk over you, but in your discussion on capital allocation, you talked a little bit about high IRR projects. And maybe go into a little bit of detail of what you think an appropriate hurdle rate is in the mining business. I know many different managements have vastly different ideas of what is appropriate in mining, and we would love to hear a bit more of your thoughts about that.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Sure. Firstly, I don't actually use IRR but I prefer to have a look at net present value versus CapEx, which is a good risk-reward tactile. And so we don't have hard and fast rule here as a corporation. I have a rule which sort of I like to see the net present value after tax of reasonable metal prices to be at least 25% and preferably 50% of the capital cost. And that -- when you work that through a project, that typically tells you whether the project is going to provide an adequate return. And then we also have a look at things like I've introduced a ranking system here for projects where we score projects on that and strategic fit, so you can see whether something fits us strategically by commodity, by country, or by political risk profile, and also by our ability to execute the other thing that we looked at.

Lila Murphy - *Federated Investors, Inc. - Analyst*

If you don't mind, one more question. Give me a bit -- regarding your thoughts on jurisdictions, and I know that you have sort of hunkered down and focused a bit more on core operations. But maybe say a few words about jurisdictions, and where you like to do business and sort of what areas of the world are sort of deal breakers for you?

Mick McMullen - *Stillwater Mining Company - President, CEO*

Well, I think, after I joined the company, I spoke to quite a few shareholders, our shareholders, and I think the message came back quite loud and clear that, for the most part, those people that are investing in this company for PGM exposure in low political risk jurisdictions, i.e. Montana. So for me, sort of mining friendly states in the US such as Nevada or Montana or Utah, they tick the box. Canada, obviously ticks the box, i.e. Marathon is in the right jurisdiction for us. Clearly, Argentina is probably not the star of the jurisdiction that you would want to invest large amounts of capital in at this point in time. And so I think, for us, we will really restrict our mandate to those styles of places, so obviously Australia. If you had a PGM industry there, you'd probably go and have a look at that. But that's really where we're going to go. I think the chance of us stepping into an exotic jurisdiction, no matter how good the project looks, is pretty slim.

Greg Wing - *Stillwater Mining Company - CFO, VP*

And of course it goes without saying, if you look for PGM opportunities in the world, there aren't that many. So, the number of jurisdictions that realistically are on the table are -- it's pretty much North America, I think.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Yes.

Lila Murphy - *Federated Investors, Inc. - Analyst*

There is a distressed asset or two out there. Anyhow, thanks very much, gentlemen, for hosting the call.

Operator

[Alou Shabik], Private investor.

Alou Shabik - - *Private Investor*

Thank you very much. Just a couple of quick ones. Greg, have you set a date for when you will be releasing fourth-quarter and full-year results?

Greg Wing - *Stillwater Mining Company - CFO, VP*

We haven't set a firm date yet. It probably will be let's say late in the process, so it will be towards the end of February or early March.

Alou Shabik - - *Private Investor*

Okay. And secondly I'm wondering if you can tell me do you calculate reserves based on a three-year average price for palladium and platinum? And given the fact that prices had been depressed the last couple of years, how might that affect your reserve calculations going forward?

Greg Wing - *Stillwater Mining Company - CFO, VP*

The answer to the first part is yes, we do use a trailing 12-quarter or three-year price for our or reserves. The volatility of the commodities is such that to use just a spot price would kind of jerk things around a little bit too much I think, so we do use a three-year trailing average.

And what was the second half of the question?

Alou Shabik - - *Private Investor*

Whether the depressed level of palladium and platinum prices the last two years is going to affect any future update on your reserve calculation?

Greg Wing - *Stillwater Mining Company - CFO, VP*

To the best of my knowledge -- and again, it's a fairly elaborate process to go through all of that, but to the best of my knowledge, if prices stay at the levels they are now, there wouldn't be any impact on our ore reserves in the immediate future anyway.

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Alou Shabik - - *Private Investor*

Terrific, thank you.

Operator

Thank you. At this time, I'm showing no additional questions in queue. Please continue.

Mick McMullen - *Stillwater Mining Company - President, CEO*

Thanks very much, everyone, for your time, and I look forward to future conference calls and question-and-answer sessions. And it's an exciting time for the company, and we look forward to updating you on our progress as we go forward. Thank you.

Operator

Thank you. Ladies and gentlemen, this conference call will be available for replay after 4:30 p.m. Mountain time today, running through January 28 at midnight. You may access the AT&T Executive Playback Service at any time by dialing 800-475-6701, using the access code of 316417. International parties will dial 320-365-3844. Once again, those telephone numbers are 800-475-6701, and 320-365-3844, using the access code of 316417.

That does conclude your conference call for today. We do thank you for your participation and for using AT&T Executive Teleconference. You may now disconnect.