
SOURCING RESPONSIBLE PLATINUM GROUP METALS

Activities in the United States and
International Opportunities and Recommendations

Presentation to:

**SECOND ROUNDTABLE ON THE SUSTAINABLE PRODUCTION AND USE OF
PLATINUM GROUP METALS
Brussels, Belgium, December 12, 2007**

By:

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The Center for Science in Public Participation provides objective research, education and technical advice to grassroots groups, non-governmental organizations, regulatory agencies, businesses, and indigenous communities on natural resource issues, especially those related to mining. <http://www.csp2.org>.

Earthworks is a non-profit organization dedicated to protecting communities and the environment from the destructive impacts of mineral development, in the U.S. and worldwide. <http://www.earthworkSACTION.org/>.

This presentation is broken into two parts: The first discusses Platinum Group Metals (PGM) mining in the United States and the Second describes emerging initiatives for responsible mining that are relevant to PGMs. For more detail about this presentation and citations and footnotes, please see the full paper on the Roundtable's web site.

I. Platinum in the United States

There is only one platinum mine in the United States - the Stillwater Mine, located in Montana, in the northern US Rocky Mountains.

Stillwater Mine

The Stillwater Mining Company (SMC) develops, extracts, processes, and refines PGMs at its mines located near Nye, Montana and southeast of Big Timber, Montana. SMC is one of the world's leading producers of platinum group metals and the only significant primary producer of palladium in the Western Hemisphere.



SMC, from <http://www.stillwatermining.com/>

The Company operates two mines - the Stillwater Mine and East Boulder Mine. Each mine operates its own concentrating plant. SMC operates a smelter, refinery and laboratory at Columbus, Montana to further upgrade the concentrate.



SMC, from <http://www.stillwatermining.com>

Many of the Stillwater Mine's environmental practices are founded in and determined by the Good Neighbor Agreement (GNA) it developed and implemented in 2000 with local NGOs.

Prior to the GNA, Stillwater Mine was frequently recognized as being environmentally proactive. The GNA works thru a cooperative framework of third-party experts, the mining company, and local citizens to provide citizen oversight of mining operations.

The GNA is based on the principles that (1) citizens have a right and responsibility to have a say in decisions that affect their lives; (2) sharing information builds trust and reduces misunderstanding; and (3) good community relations and solid environmental performance are good for business. The GNA is a legally binding contract between the mining company and participating community interests.

The Stillwater GNA worked because of the unique company and community characteristics. A GNA may or may not be viable at other mines depending on the specific circumstances present. Like any tool, GNAs should be evaluated as an option to determine how well they fit the needs of the participants and resources.

II. OTHER INITIATIVES

As a practical matter, the impacts from mining PGMs are not substantively different from the impacts from mining non PGM hard rock minerals. PGM mines may be unique in their geology and rarity, but the environmental and social issues and impacts at PGM mines are similar to other hard rock mines. It is suggested that PGM mines have no technical reasons to separate themselves from other hard rock "responsible mining" initiatives.

This presentation focuses on two of the most comprehensive initiatives:

(1) *The Framework for Responsible Mining* (Framework)

The Framework is comprehensive and considers the major topics necessary to evaluate a mine for its social and environmental responsibility.

(2) *Initiative for Responsible Mining Assurance* (IRMA)

The IRMA includes the key components and participants necessary to establish standards and a verification scheme to evaluate and assure a mine's - or mined products - social and environmental responsibility.

Framework for Responsible Mining

The Framework for Responsible Mining (Framework) is the most comprehensive review of international mining practices and standards to date. It identifies principles, improved standards, and best practices appropriate for hard rock mining. Adoption of key Framework elements would eliminate many of the worst impacts from mining. In addition to mining company practices and activities, it considers the role(s) that are played by jewelry retailers, investors, insurers and nongovernmental organizations (NGOs).



The Framework provides expert guidance to the mining industry and those working with the mining industry about responsible mining. It considers and responds to the potential environmental, human rights, and social impacts associated with large-scale mining projects. Moreover, it recommends improvements where they are justified by science and expert analysis. A key strength of the Framework is that it attends to not only easily solved issues but difficult and “leading edge” concerns. In this way it ensures that comprehensive, concrete, and detailed guidance is available to all sectors.

The Framework draws on existing campaigns, projects, and initiatives including the International Council on Mining and Metals, the Mining Certification Evaluation Project (MCEP—a multi-stakeholder project of WWF-Australia), the World Bank’s Extractive Industries Review, as well as other sources and company-specific programs.

Initiative for Responsible Mining Assurance

The Initiative for Responsible Mining Assurance (IRMA) joins the mining, jewelry, labor, community, and NGO sectors to develop strategies and systems to certify responsibly sourced metals that add value for all participants and stakeholders. It seeks to build on and improve steps that previous responsible mining efforts have considered or created.

Key components of the IRMA are its inclusion of all relevant sectors and its recognition that third-party verification and certification are essential. It is widely understood that in-house or contracted second-party assurance protocols are suspect by definition. IRMA seeks to ensure that its results are credible and acceptable to all parties.

IRMA is not a hypothetical exercise -- It is establishing standards and a verification scheme that will be employed throughout the product chain from mine to consumer or industrial product - and then to post-consumer recycling.

IRMA participants recognized the complexity and vast size of its undertaking - and sought to advance in small measured steps. It has ongoing steps and phases to ensure that its successes are used to advance the overall process to serve the mining and

jewelry industries and the public. The IRMA is not a test or demonstration project - it seeks to develop effective and complete standards and processes to verify and certify responsible mining products.

Its strength lies in its including representatives of mining, jewelry, labor, community, and NGO sectors. Without all of the sectors it is likely that any product would ultimately be deemed biased, unrepresentative, unreliable, and/or suspect.



The strategy, approach and systems initially focused on gold and diamonds but the participants recognized the need for the IRMA to apply to all minerals (or at least all hard rock minerals, including PGMs).

While the IRMA may offer PGM mines and producers an effective process, PGM mines and producers may offer to IRMA the PGM mines and producers' valuable and scientifically important expertise. This could yield a synergy that benefits all parties.

III. CONCLUSIONS

- PGM producers face similar issues and problems as most hard rock mines.
- PGM producers have a need to source their minerals and produce their products to ensure they are socially and environmentally responsible.
- Some PGM producers are currently implementing successful responsible mining efforts. Some of the key components the PGM sector should consider are ensuring that its efforts reasonably define “responsible”; that its goals are sufficiently broad and timely; that its efforts include appropriate parties/participants; that its efforts are evaluated by a third party (not beholden to the participant interests); and that the process is open and public.
- The Framework for Responsible Mining may offer PGM miners and producers the necessary framework to consider and evaluate most if not all social and environmental issues regarding PGM mining and production.
- The Initiative for Responsible Mining Assurance may offer PGM mines and producers the necessary partners and technical framework to yield a viable, expedient means to certify a more sustainable, environmentally and socially responsible product.



IV. SELECTED BIBLIOGRAPHY AND RESOURCES

Initiative for Responsible Mining (IRMA)

<http://www.responsiblemining.net/index.html>

Framework for Responsible Mining:

<http://www.frameworkforresponsiblemining.org/index.html>

Northern Plains Resource Council (NPRC):

<http://www.northernplains.org>

Stillwater Good Neighbor Agreement (GNA), as amended:

<http://www.northernplains.org/files/2005amendedgna>

Stillwater Good Neighbor Agreement, 2000 original agreement:

http://www.northernplains.org/ourwork/goodneighbor/files/Good_Neighbor_Agreement.pdf

Stillwater Mining Company (SMC):

<http://www.stillwatermining.com>

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