



Stillwater Mining Company dba as Sibanye-Stillwater

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October 25, 2019

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Re: Reply to a Notice of Violation and EA-19-085

To whom it may concern,

This letter is a response to the September 27, 2019 NRC Routine Inspection Report 030-2975/2019-001 and Notice of Violation (the "Violation Letter"). As addressed there, the NRC conducted an on-site inspection at our Stillwater Mine on June 11, 2019. Stillwater Mining Company (the "Company") is the only producer of platinum and palladium in the United States. NRC Materials License Number 25-26871-01 (the "License") authorizes the Company to use certain density flow gauges at its facilities.

Below is the Company's position on the failure to properly appoint a radiation safety officer (RSO), as well as its explanation of the citation related to 10 CFR 30.34(b). It is the Company's understanding that a third violation related to a periodic review of the radiation protection programs was uncited, and that situation is not addressed in this response for that reason.

Failure to appoint an RSO:

Reason for the violation:

The summary in Section 2.2 of the inspection report is generally accurate. The Company has since corrected its failure to appoint an RSO under the License. As of June 13, 2019, Jerek Depuydt has served as the Company's trained and appointed RSO.

Corrective action in place:

In addition to Mr. Depuydt's training and appointment, six other employees have completed Radiation Safety and Nuclear Industrial Gauge User Training. The Company has engaged radiation detection instrumentation vendor Qal-Tek to perform annual audits and employee training. For additional compliance oversight, the Company has also added Mr. Depuydt to its Compliance Committee, which provides Company regulatory tracking and oversight, including quarterly in-person meetings. As the Company's Compliance Officer, I have also reinforced the significance of NRC compliance with site leadership. The Company is confident that these mechanisms will ensure future NRC compliance.

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Future corrective action:

As addressed above, vendor Qal-tek will perform annual audits and employee training. The Company will routinely address NRC compliance at its Compliance Committee, of which the RSO will be a permanent member.

Date when full compliance achieved:

It is the Company's position that full compliance was achieved on June 13, 2019 when the License was corrected to add Mr. Depuydt.

Violation of 10 CFR 30.34(b):

Reason for the violation:

Because the Company has corrected this violation as addressed in the "Corrective Actions" heading on page two of the Inspection Report, it has decided not to contest this violation. The Company is, however, providing this explanation to preserve its position that the merger at issue did not trigger a change of control.

Pursuant to 10 C.F.R. 30.34(b)(1), "[n]o license issued or granted pursuant to the regulations in this part and parts 31 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing."

As discussed on page 5-2 of the Consolidated Guidance About Materials Licenses, "[t]he transfer of stock or other assets is not necessarily a change of control. The central issue is whether the entity that has the right to exercise authority over the license has changed."

Sibanye Gold Limited completed its acquisition of Stillwater Mining Company through a reverse-triangular merger on May 4, 2017. Before the merger, Stillwater Mining Company held the license at issue. That did not change in the transaction with Sibanye Gold, Ltd., and Stillwater Mining Company still holds this license. Control over this license and the activities associated with it did not change with the merger.

We appreciate the opportunity to present the information above. Please don't hesitate to contact me with any questions.

Sincerely,

Heather McDowell

VP Legal, Environmental, and Government Affairs

CC: Mr. Michael Hay, U.S. NRC Region IV
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