Derrick Govender
EVP Minerals

MINERALS: PAST, PRESENT AND FUTURE

Investor Days 2018, Bordeaux
**PAST, PRESENT AND FUTURE**

**2008-2012**
- Mining supercycle
- SGS scope of practice focused on traditional laboratory & inspection based business
- Current strong copper supply growth is being easily absorbed in China, which bodes well for copper miners as they aim to ramp up production

MEG, 2010

**2012-2016**
- Declining market
- SGS scope of practice focused on traditional laboratory inspection based business
- The continued rout in commodity prices that has severely hit the mining industry in the past year can't be considered a "normal" cyclical downturn, but rather, an unprecedented one.

Moodys, 2016

**2017-2020**
- Market recovery
- SGS global focus on niche services to further solidify market position
- The mining and metals industry is returning to growth, but companies face a transformed and competitive landscape. The need to improve shareholder’s returns will drive bold strategies to accelerate productivity, improve margins and better allocate capital to achieve long-term growth.

E&Y, 2018
## WEATHERING THE DOWNTURN

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<th>Provided an opportunity to assess the portfolio</th>
<th>Geographic and segmented realignment across the entire network</th>
<th>Maintained presence in the exploration service industry but increased focus on production phase of mining life cycle (Onsite laboratories, Mine and Plant services, Process design)</th>
<th>Reduced scope of services in some traditional markets (low margin activities)</th>
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<td>Creation of more effective hub and spokes model</td>
<td>Establishment of Mine and Plant services group to become service partner relationship vs service provider</td>
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LONG TERM VALUE STRATEGY

Traditional Services – maintaining market leadership
- Geochemistry
- Metallurgy & Mineralogy
- Energy Minerals
- Trade

Niche Services & Segments – differentiating our service offering
- Geological Services
- Plant & Operations
  - Bateman Engineering Services
  - Mine & Plant Services
  - Advanced Systems
A NEW PERSPECTIVE FOR A NEW MARKET

FIELD ANALYTICAL SERVICES AND TESTING (FAST) APPROACH TO EXPLORATION

OFF-SITE ANALYSIS AT COMMERCIAL LAB
4 TO 12 WEEKS TURNAROUND TIME
NO USE OF MACHINE LEARNING IN EXPLORATION PROGRAMS

OUR FAST APPROACH LEADS YOUR EXPLORATION TO

ON-SITE ANALYSIS
48-HOUR TURNAROUND TIME
MACHINE LEARNING IS USED IN EXPLORATION PROGRAMS

YOUR RESULTS OF OUR FAST APPROACH TO EXPLORATION
REAL-TIME DECISION MAKING
SAVINGS OF TIME & MONEY
OPTIMIZED DRILL PROGRAMS FOR SPEED-TO-MARKET RESULTS
We found the Machine Learning service by SGS extremely useful for our PGE exploration. Utilizing our 20+ year database, we were able to confirm the validity our own conceptual exploration targets and more so outline the potential shapes for what will eventually be drill targets. We are currently drilling an exciting new target deep in the footwall from our main zone and the early results are very encouraging and support the SGS generated target!

Dave Benson, P.Geo
Exploration Manager, North American Palladium
Global lithium-ion battery demand is expected to grow 6-7 times by 2026, which will require a pipeline double what exists today.

Most analysts agree that the world is not short on lithium with large known reserves in the area of Chile, Argentina, Bolivia and Australia, however the time to market for these projects could stretch to several years.
LEADER IN ‘GREEN’ METAL SERVICES

- Diversification into Lithium segment
- Market leader in
  - Lithium onsite laboratories in Australia and Canada
  - Advanced metallurgical capability in pilot testing for lithium projects
  - Geological resource evaluation for Lithium feasibility programs