

MINERALS: PAST, PRESENT AND FUTURE

Derrick Govender
EVP Minerals

Investor Days 2018, Bordeaux



WHEN YOU NEED TO BE SURE

SGS

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

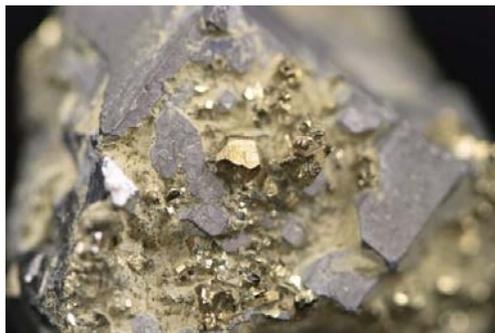
2017-2020

- 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



Provided an opportunity to assess the portfolio



Geographic and segmented realignment across the entire network

- Creation of more effective hub and spokes model
- Established Mine and Plant services group to become service partner relationship vs service provider
- Increased focus on diversification of service portfolio



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)



Reduced scope of services in some traditional markets (low margin activities)

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



MACHINE LEARNING LEADING TO EXPLORATION SUCCESS

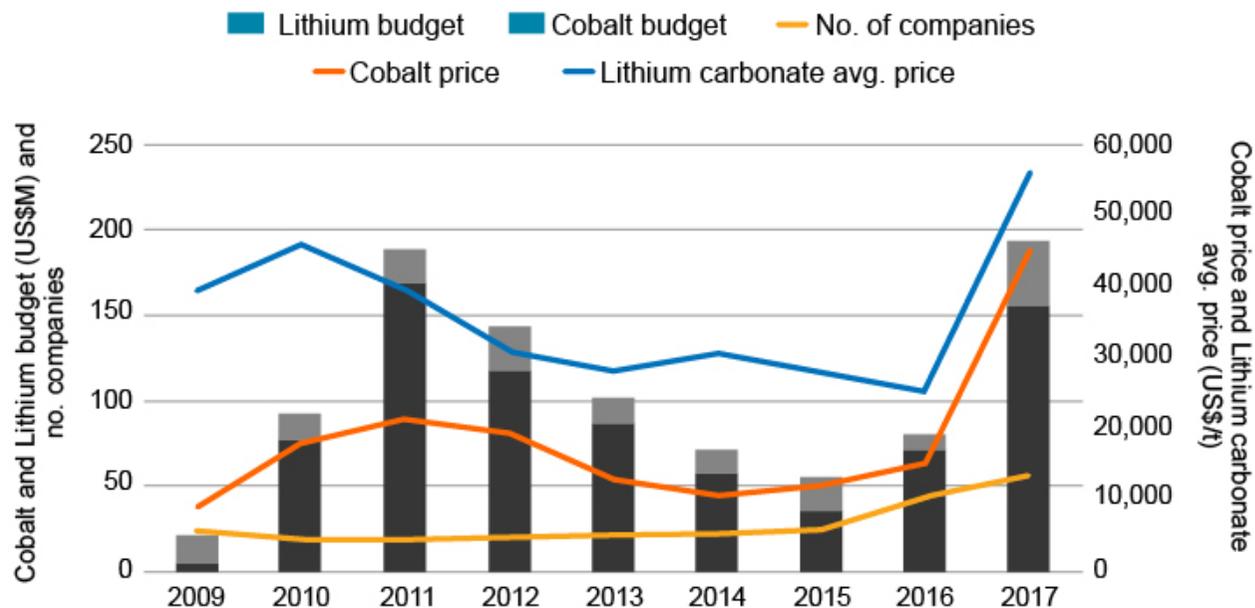
SGS INVESTOR
DAYS BORDEAUX
8-9 NOVEMBER 2018

The background of the slide features a photograph of a mining site at sunset. The sky is a mix of orange, yellow, and red. In the foreground, a silver laptop is open on a dark surface, with a spiral notebook and a pen nearby. The mining site shows a large, deep excavation with various rock layers and some vegetation in the distance.

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.Geol
Exploration Manager, North American Palladium

Cobalt and Lithium exploration budgets, 2009-2017



Data as of Jan. 30, 2018.
 Source: S&P Global Market Intelligence

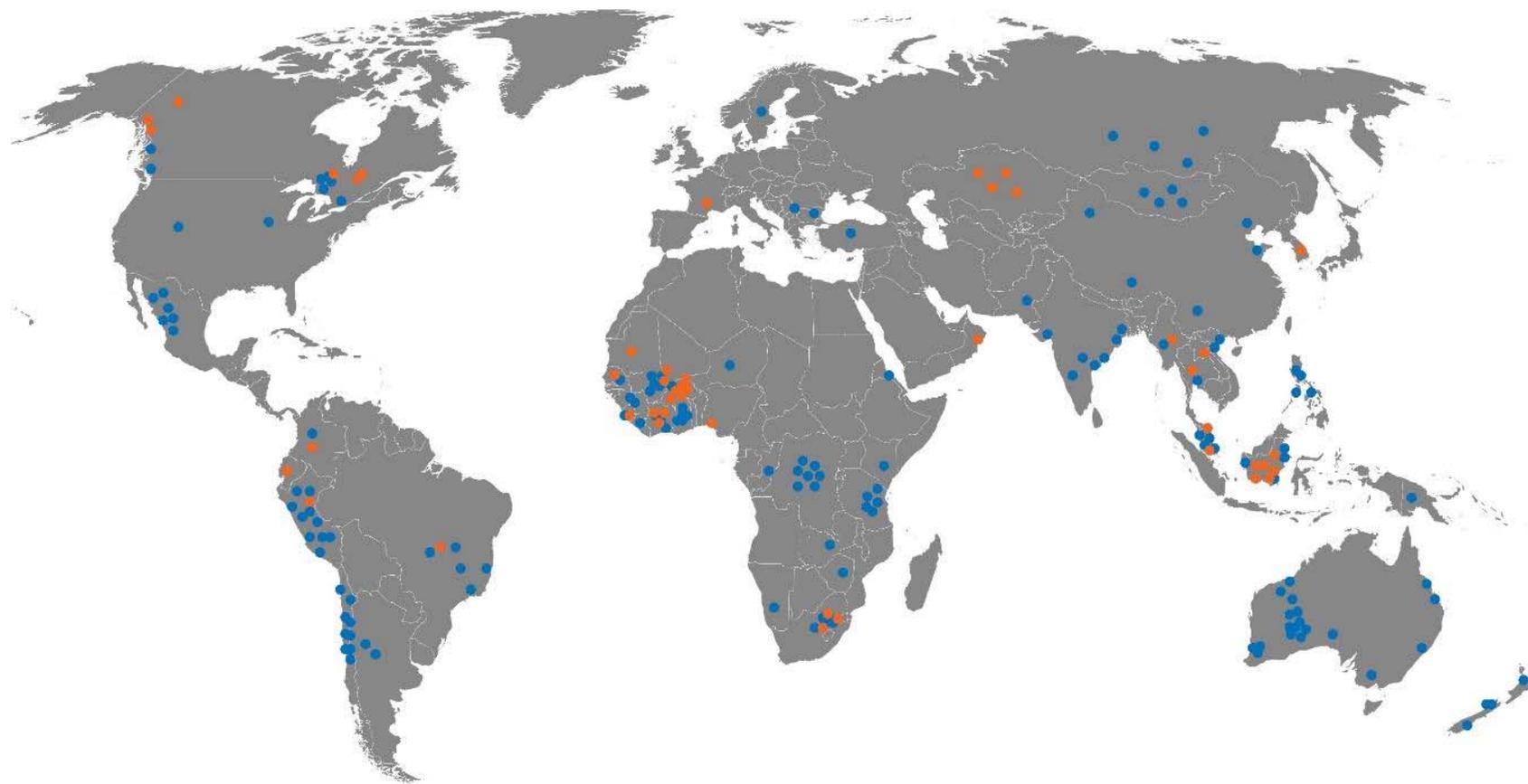
- Global lithium-ion battery demand is expected to grow 6 - 7 times by 2026, which will require a pipeline double what exists today
- Most analysts agree that the world is not short on lithium with large known reserves in the area of Chile, Argentina, Bolivia and Australia, however the time to market for these projects could stretch to several years



- 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

CONTINUOUS GROWTH OF LAB NETWORK

- 2013
- 2018



WWW.SGS.COM

WHEN YOU NEED TO BE SURE

SGS