

QUPEX, 13 FEB 2024
Stephen Kelemen
Deputy Chair - Petroleum



QEC and the Qld Exploration Scorecard

*“Perception shapes reality:
Collaborative approach required for
resilient exploration”*

DISCLAIMER

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ABOUT QEC



QEC is an initiative of the Queensland Resources Council

QRC is an independent body representing the commercial developers of Queensland's minerals & energy resources



**As the exploration arm
of QRC, the Queensland
Exploration Council
supports explorers on
their pathway to
production**



**ABOUT
QEC**



WHAT WE DO

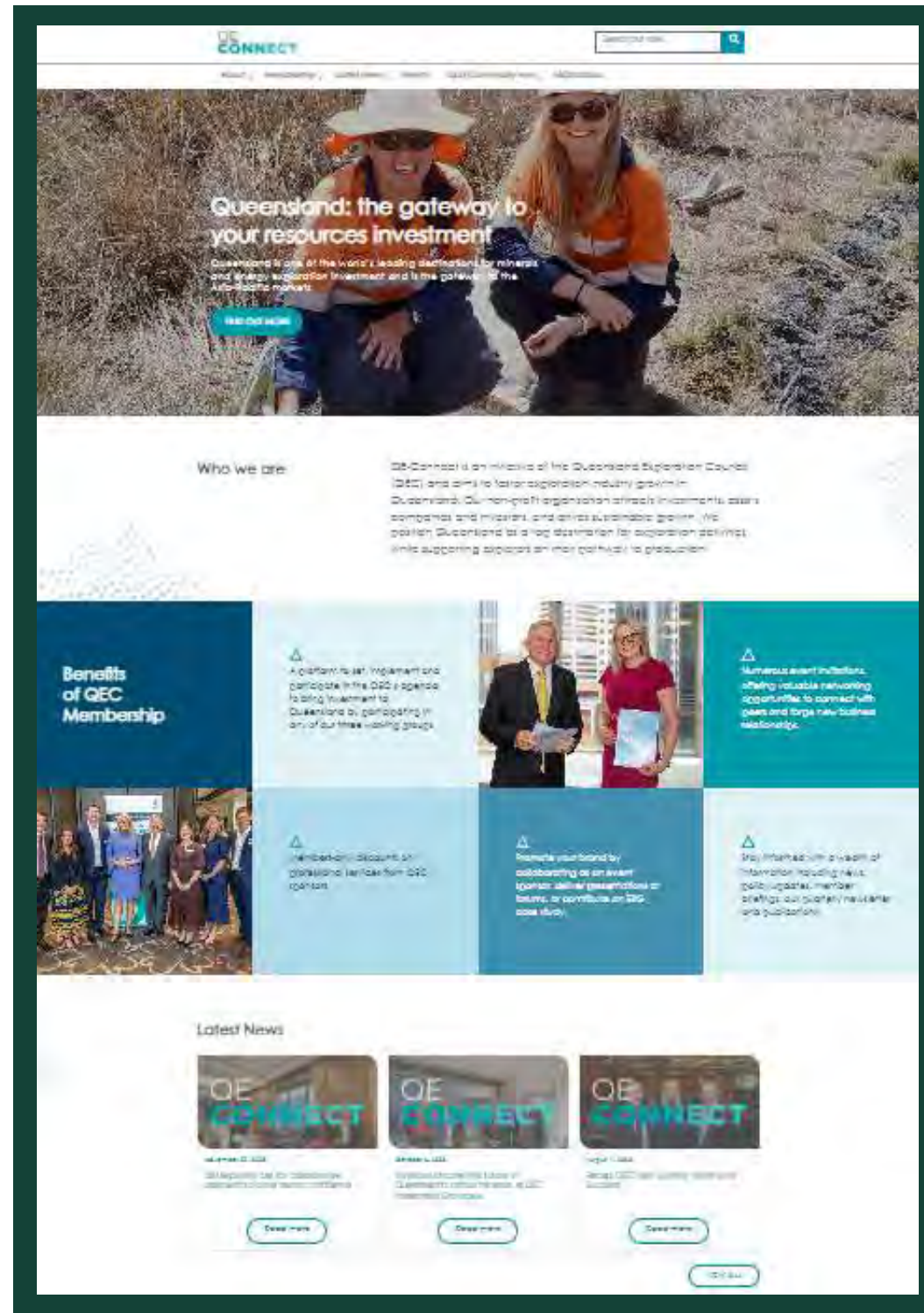
**INFORM
FACILITATE
MONITOR
CONNECT
INCENTIVISE
LEVERAGE**



- Provide info & links to promote exploration
- Bring together project proponents & investors
- Track industry health via Exploration Scorecard
- Events for members and industry
- Benefits for members
- Partner with related organisations

Key initiatives

QE-CONNECT
EXPLORATION INDUSTRY
PROMOTION WEBSITE



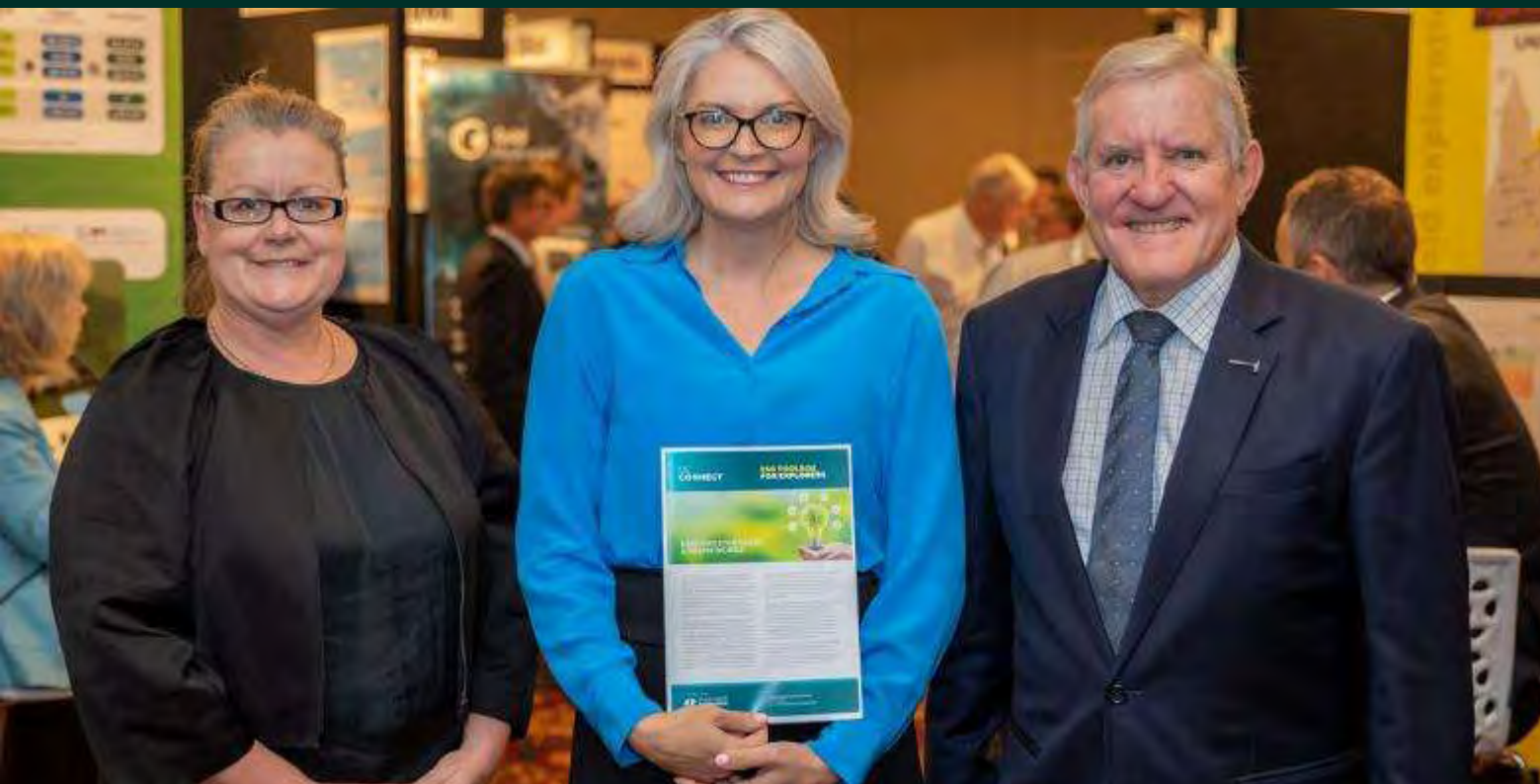
- Essential info about Qld exploration for industry & investors.
- Qld Commodities Hub – factsheets on critical minerals and other commodities, showing projects and explorer profiles.
- Live ASX explorer updates



Key initiatives

ESG TOOLBOX FOR EXPLORERS

Showcasing Qld's ESG competitive advantage



A screenshot of the 'ESG Toolbox for Explorers' website. The header features the 'QE CONNECT' logo and a globe graphic. The main heading is 'ESG Toolbox for Explorers' with the subtitle 'An initiative of the Queensland Exploration Council'. Below this, there is a section titled 'World-class ESG, made easy for explorers' with two columns of text. The right column contains a paragraph about the high standard of existing regulation in Queensland and an opportunity for Queensland explorers to stand out. The bottom section has four columns with icons and titles: 'What is ESG?', 'Guidelines to help you', 'ESG Standards & Frameworks', and 'Explorers acing ESG'. Each column has a 'Learn More' button at the bottom.



Existing Frameworks & Standards

The ESG reporting landscape is complex and evolving fast, with numerous guidelines, codes and frameworks for reporting ESG emerging.



The cover page of the "ESG Toolbox for Explorers" report. It features a teal header with the "QE CONNECT" logo on the left and the title "ESG TOOLBOX FOR EXPLORERS" on the right. Below the header is a central image of a hand holding a lightbulb with a tree inside, surrounded by various ESG icons like a recycling symbol, a water drop, and a leaf. The text "EXISTING STANDARDS & FRAMEWORKS" is positioned below the image.

QE CONNECT **ESG TOOLBOX FOR EXPLORERS**

EXISTING STANDARDS & FRAMEWORKS

The ESG reporting landscape is complex and evolving quickly. Over the last few years, numerous guidelines, codes and frameworks for reporting ESG performance and disclosing ESG risks have emerged globally and there has been a shift towards the integration of environmental, social and governance factors in investors' decision making. There will likely be an increasing convergence among the leading standard-setters over time, but currently each existing framework and standard has its own metrics, principles and disclosure requirements, although there is some degree of overlap between them.

Resource companies are at different stages of maturity in their ESG reporting and the metrics included in existing ESG frameworks may not always be relevant to the scale of a junior explorers' operations. Many junior explorers are at an early stage in terms of identifying ESG factors material to their own business model and specifically, the exploration stage of a resource project. To identify the most important impacts influencing the decisions of stakeholders and investors, a company may choose to undertake a materiality assessment. A materiality assessment identifies the key sustainability topics that best reflect the environmental, economic and social impacts of a company and its operations.

Considering the resource-intensive nature of a materiality project, QEC has developed the QEC Voluntary ESG Framework, which tailors the most important indicators in existing ESG standards to the exploration industry and provides a practical foundation for members to identify and address factors of material importance in their own operations.

There are a substantial number of third party ESG-related frameworks and standards. Generally, a framework provides principle-based guidance with broad topics which businesses might consider assessing their performance against. Standards provide more specific requirements and metrics for a business to report their performance against. Both frameworks and standards are intended to provide a means for businesses to communicate with investors regarding sustainability issues that are material to its business.

QEC considers the following frameworks and standards to be of most relevance to explorers operating in Queensland. This is not an exhaustive list; there are many more available online and additional frameworks and standards continue to be introduced to the market; QEC will continue to update the monitor and update the information provided.

An initiative of the **queensland exploration council**

<http://esg.qe-connect.com.au>
07 3295 9560
Level 29, 12 Creek Street, Brisbane 4000

ESG Factsheet

A helpful resource for
explorers to learn why it's
important and what value
ESG reporting delivers



What is ESG?

Environmental, Social and Governance (ESG) describes the three key non-financial factors used to assess the sustainability of a business and determine whether a company represents a socially responsible investment for shareholders, investors and financiers. ESG issues relevant to explorers in the resources industry may include environmental management, emissions, land access, community relations, water management, human rights, shareholder rights, board performance and remuneration and diversity.

Global momentum behind ESG is growing. This is being driven by trends in emissions reduction targets, the integration of ESG issues into investment analysis and decision making processes, growing customer demand and an accelerated effort to align capital markets with sustainability goals.

There are growing expectations from investors and lenders regarding the disclosure of non-financial metrics that are not typically captured by traditional financial reporting. Businesses operating in all sectors are increasingly adopting policies and principles that drive ESG throughout their business and supply chain to address these expectations.

The high standard of existing regulation in Queensland already gives industry a comparative advantage in ESG credentialing. Exploration companies operating in Queensland are already required to meet high regulatory standards as conditions of their tenure. By virtue of the high existing standards in Queensland, many companies are already meeting some of the global expectations in ESG practices and policies. As such Queensland's exploration companies are well positioned to deliver on growing shareholder, financier and customer expectations with respect to continuously driving world leading sustainable ESG performance through their operations.

In the coming years, it will be increasingly important for explorers to continue to demonstrate their ESG performance to secure and hold acreage, attract investment, and remain globally competitive.



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Voluntary Guidance Framework

ESG is a key part of your corporate culture - we've developed guidelines to help explorers report ESG.



QE
CONNECT
ESG TOOLBOX
FOR EXPLORERS



VOLUNTARY GUIDANCE
FRAMEWORK

The QEC Voluntary ESG Framework is a tool to help explorers identify and manage ESG risks that may be material to their business and determining how to communicate information to investors. It is based on the most relevant elements of existing frameworks and standards but has been tailored to meet the specific needs of explorers.

ESG Frameworks and Standards provide a global comparison of how companies operating across the world assess and manage ESG-related risks. Queensland's established regulatory setting already ensures it is well positioned to deliver on many of the indicators used to measure ESG risks globally. As such, explorers may find that they cover many of the indicators listed below as part of their day-to-day operations but the framework is not intended to replace explorers' sustainability targets, measures or overall sustainability strategies, though it may assist and contribute to those. Nor is it designed to monitor the regulatory compliance of an operation.

The table highlights some key ESG topics and provides space for companies to describe the processes in place to meet, or in some circumstances exceed, the requirements.

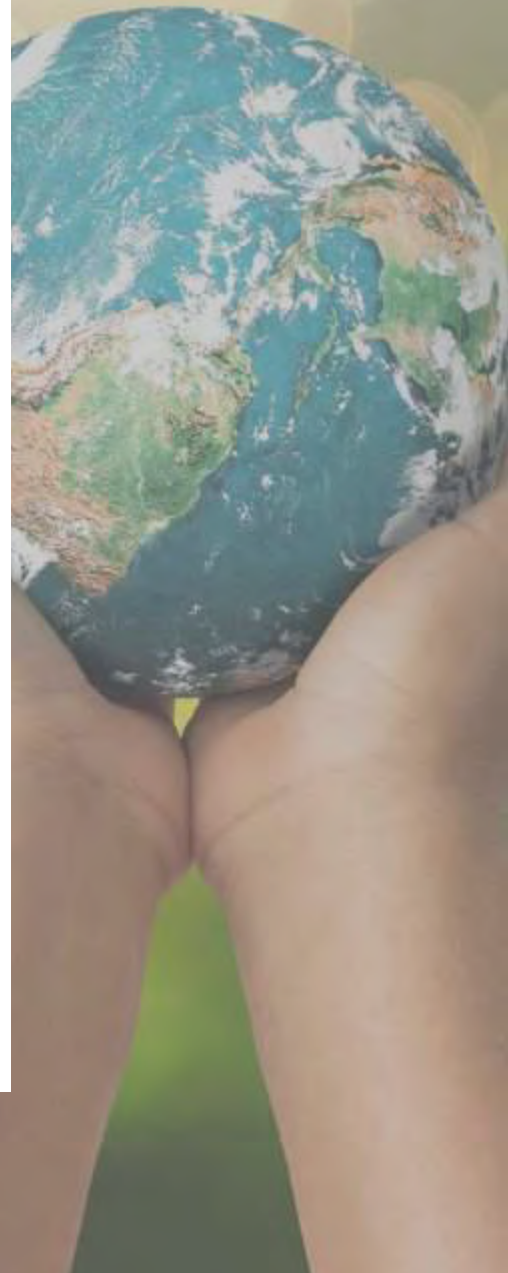
Topic Indicator	QLD legislative requirement(Y/N)	Description of additional measures/processes in place
Environment		
Biodiversity - Biodiversity describes the variability of living organisms from all sources within ecosystems and the ecological complexes of which they are a part. This topic includes any organisational impacts on plant and animal species and natural ecosystems from exploration activities.		
Site-level environmental management policy and/or systems in place (which specifically reference biodiversity)	Yes	

An initiative of the



queensland
exploration
council

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07 3295 9560
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Key initiatives

EVENTS TO BRING INDUSTRY
& INVESTORS TOGETHER



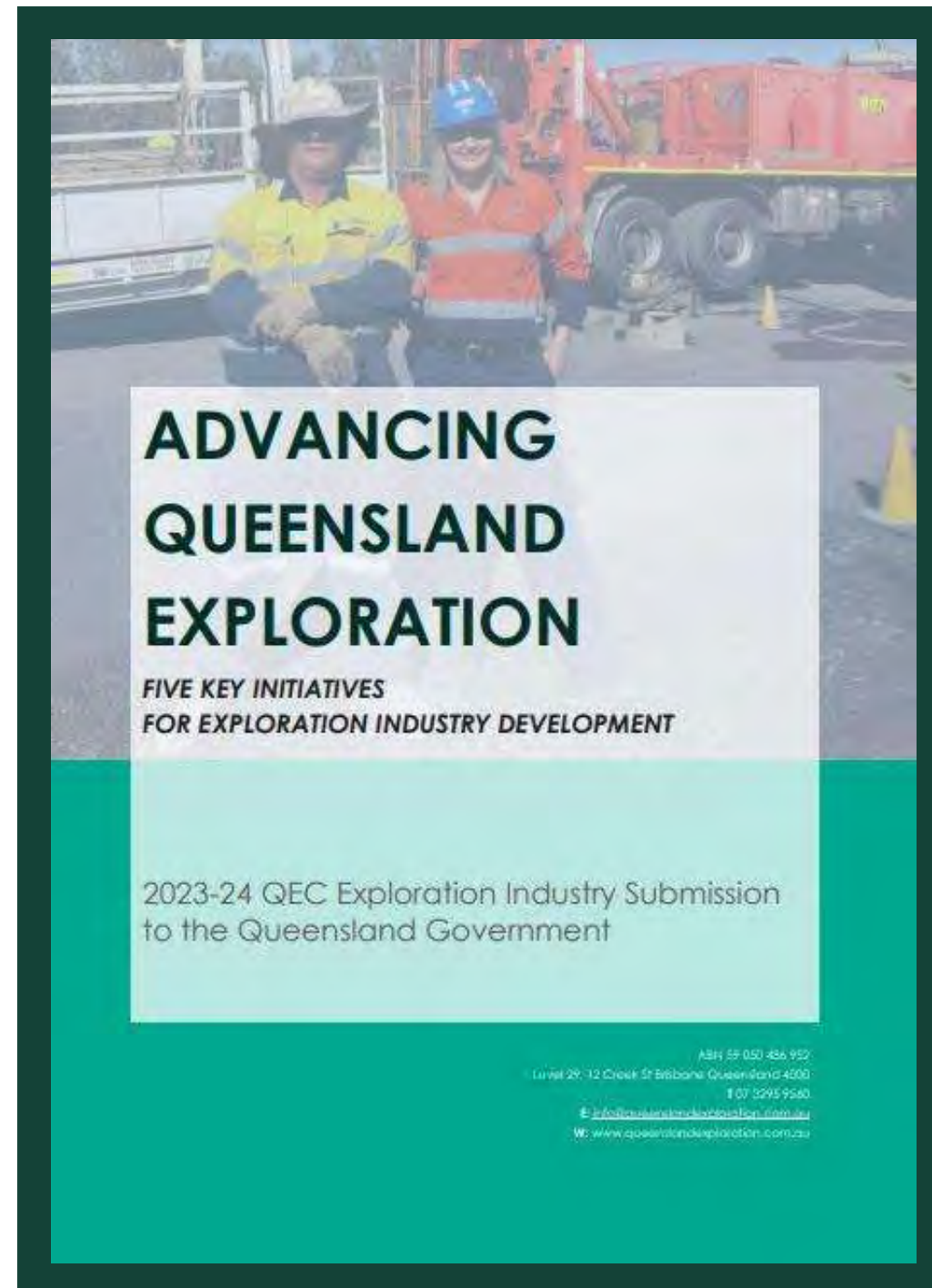
- Quarterly investment showcase
- Annual Tech Summit
- Annual Breakfast & Queensland Exploration Scorecard Launch
- Bi-annual Member Briefings
- QE-Connect Networking Luncheon

Key initiatives

ANNUAL EXPLORATION
INDUSTRY BUDGET
SUBMISSION: "ADVANCING
QUEENSLAND EXPLORATION"



Outlines essential initiatives that foster innovation, collaboration, and sustainable development.



Key initiatives

TRACKING THE HEALTH OF THE INDUSTRY VIA THE QUEENSLAND EXPLORATION SCORECARD

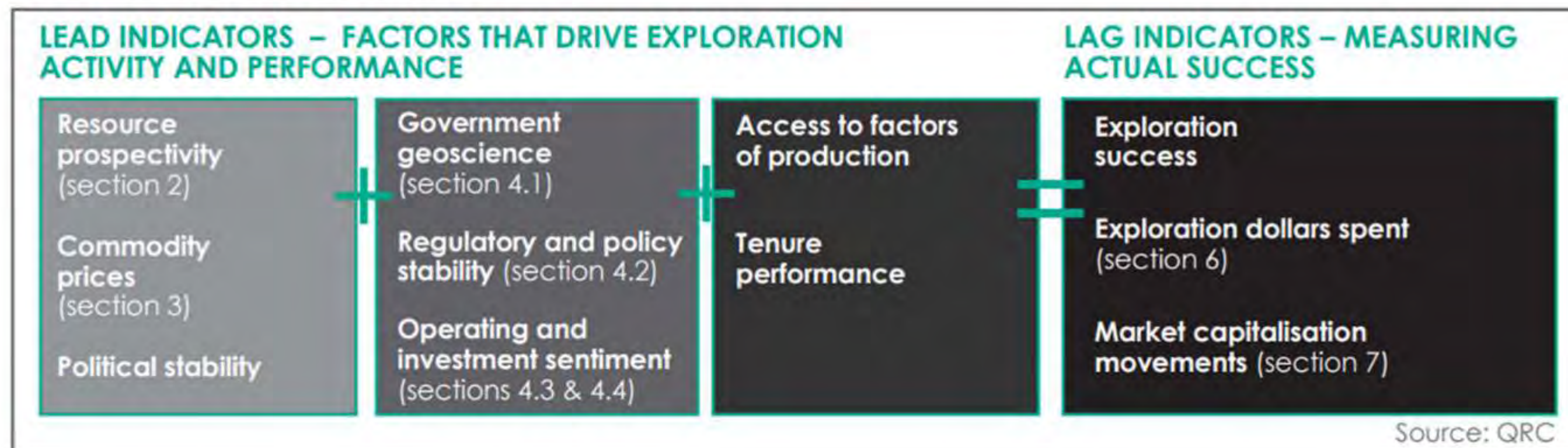


13th annual publication, tracks sentiment across 16 exploration policy categories and key indicators.

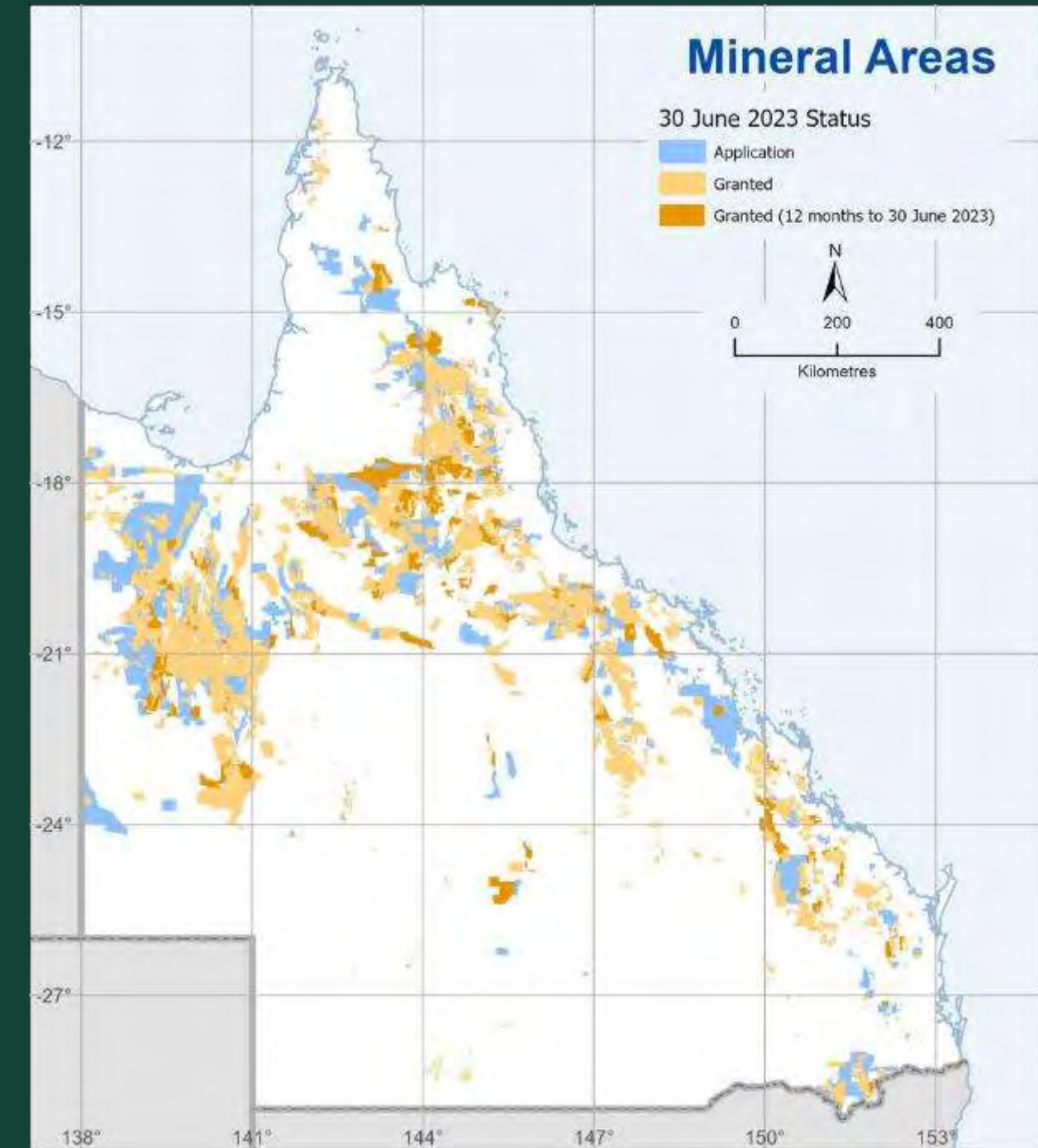
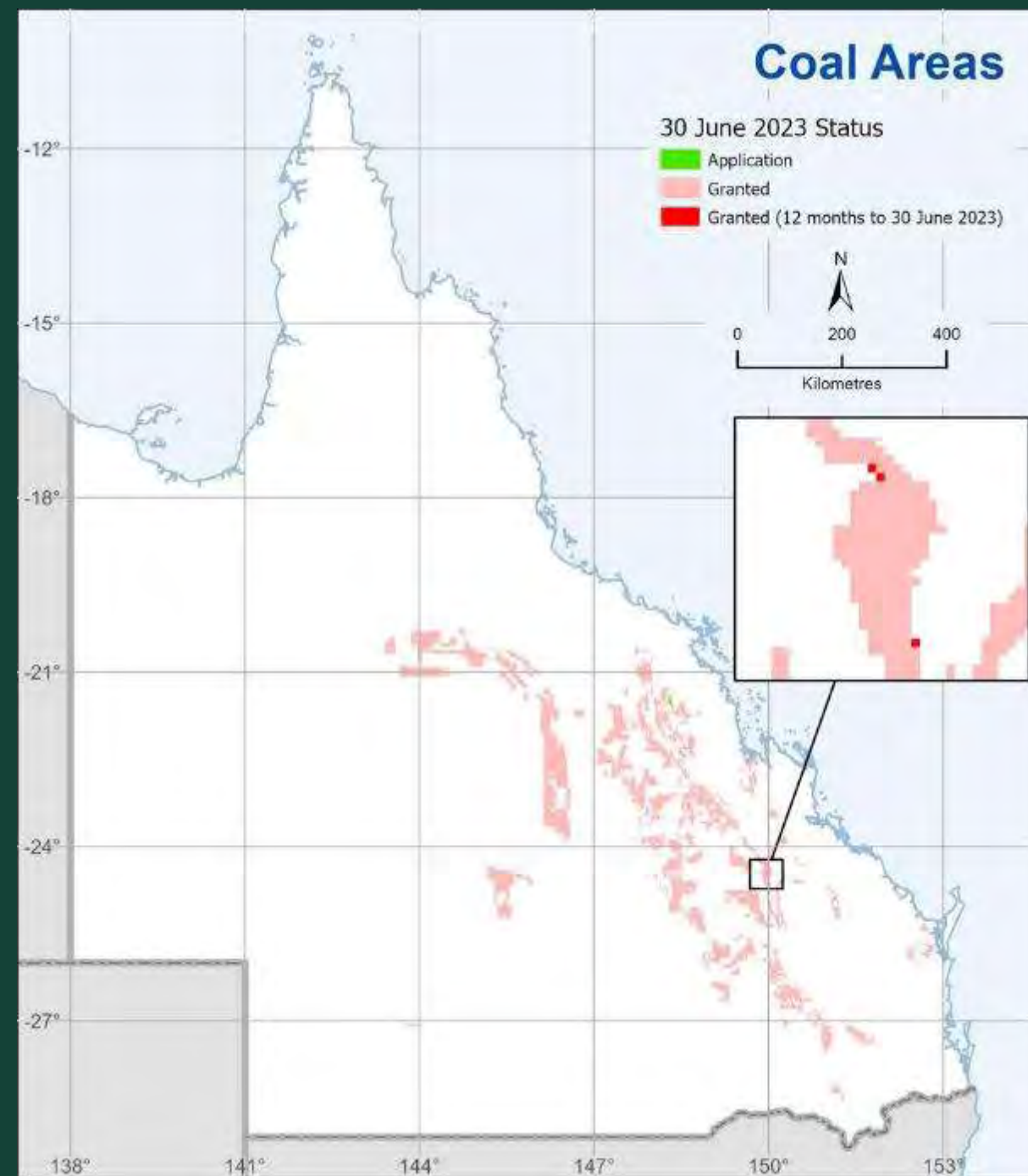
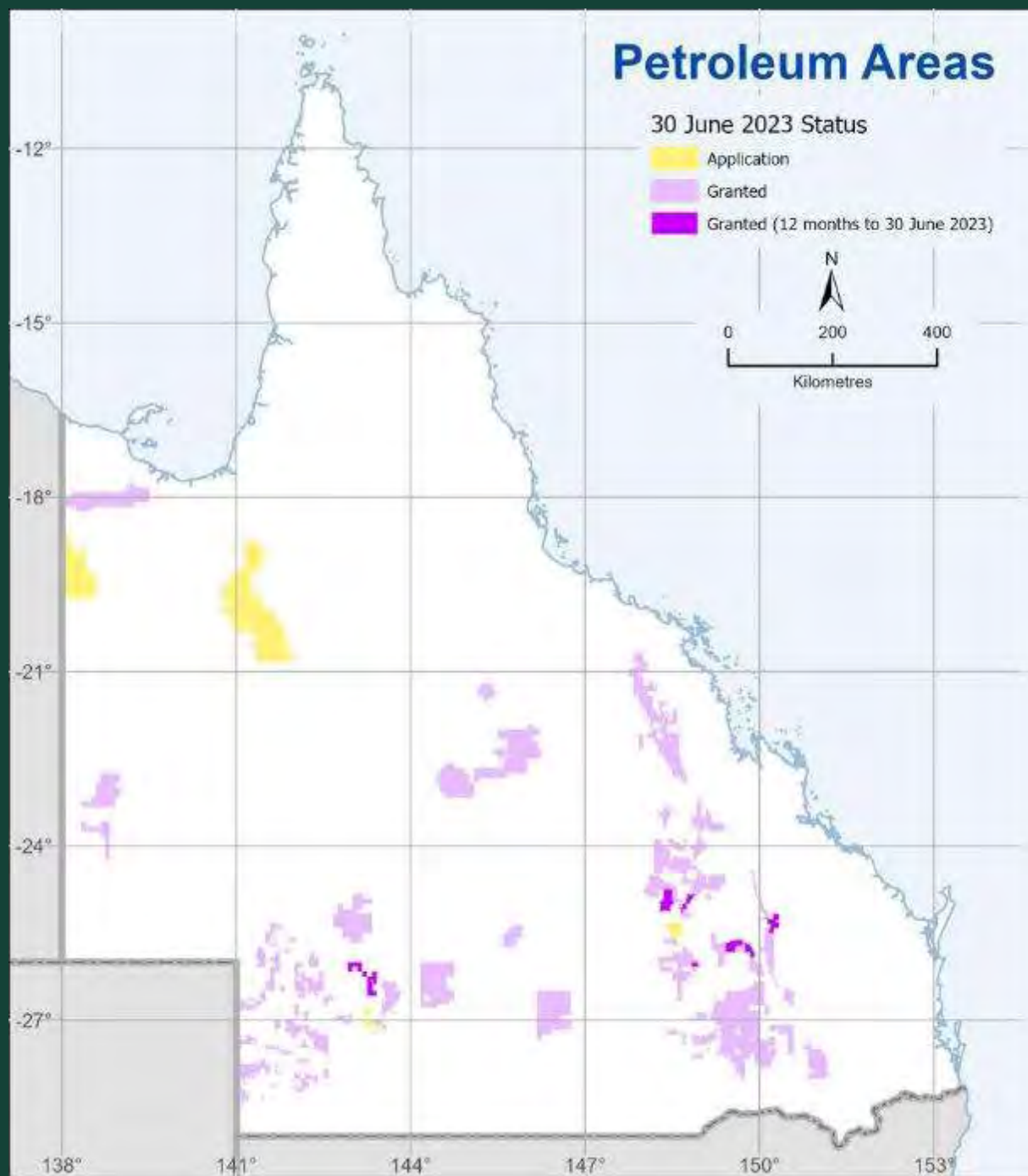


Structure of Exploration Scorecard

FIGURE 1: SCORECARD STRUCTURE

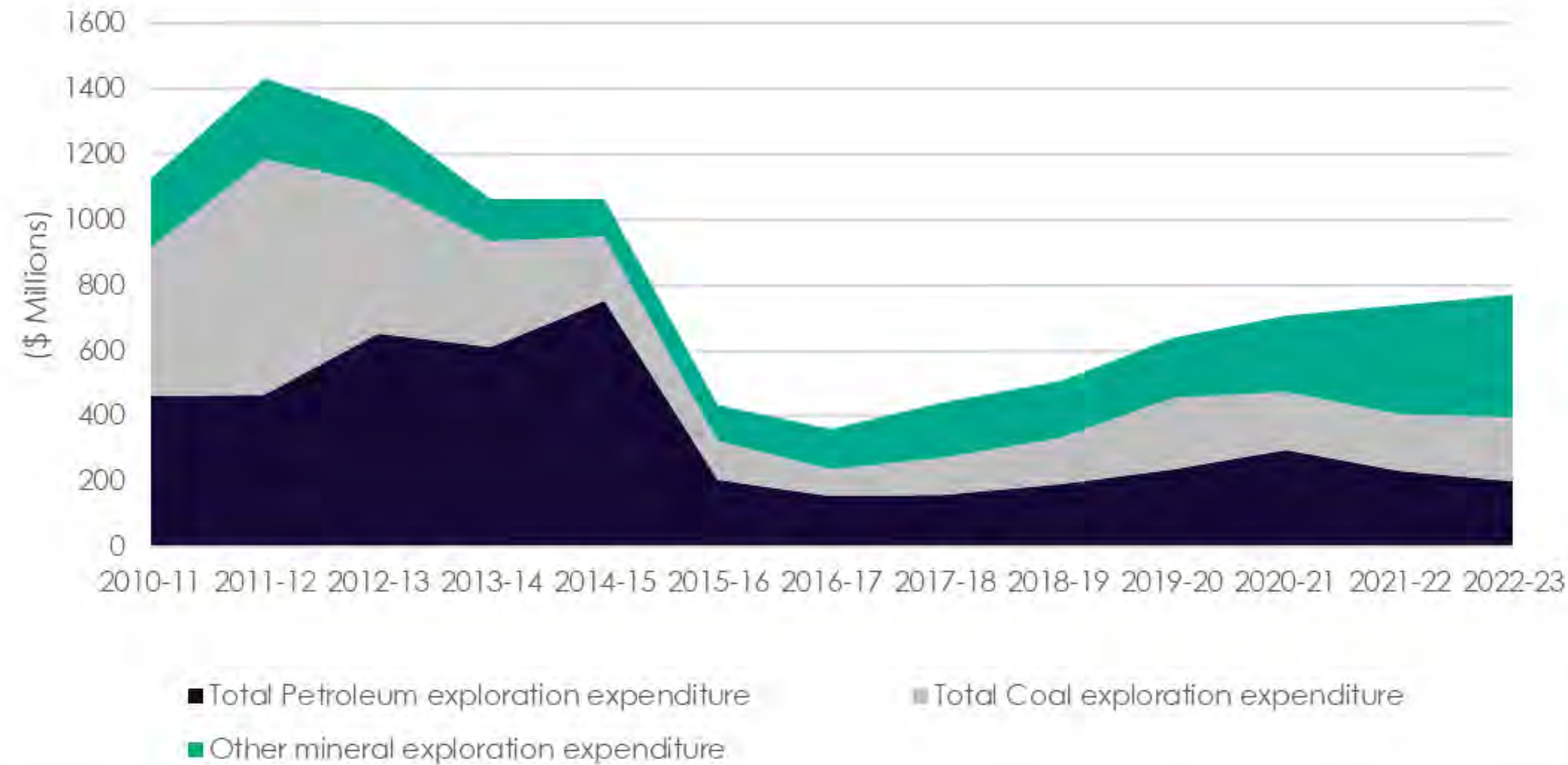


Exploration Tenure Status - June 2023

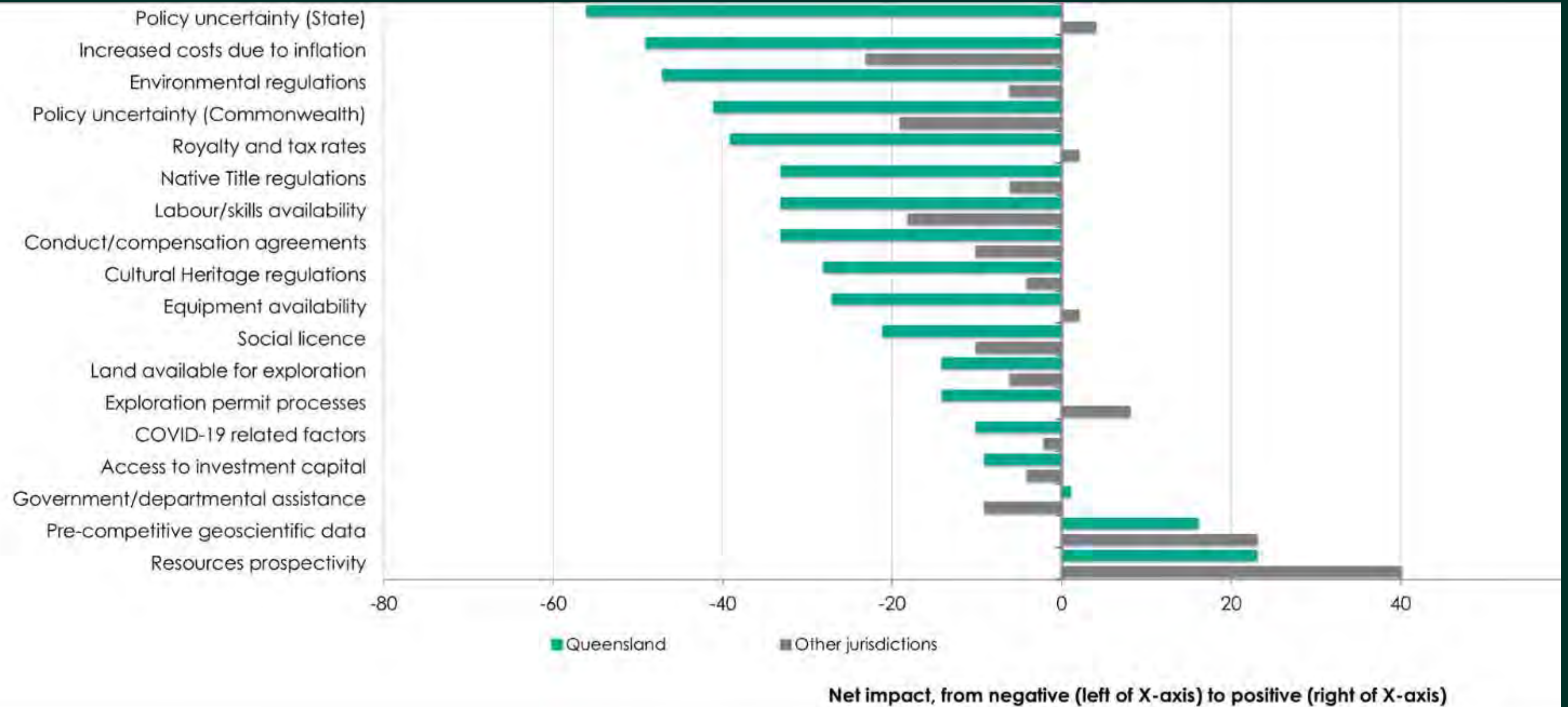


Exploration Expenditure

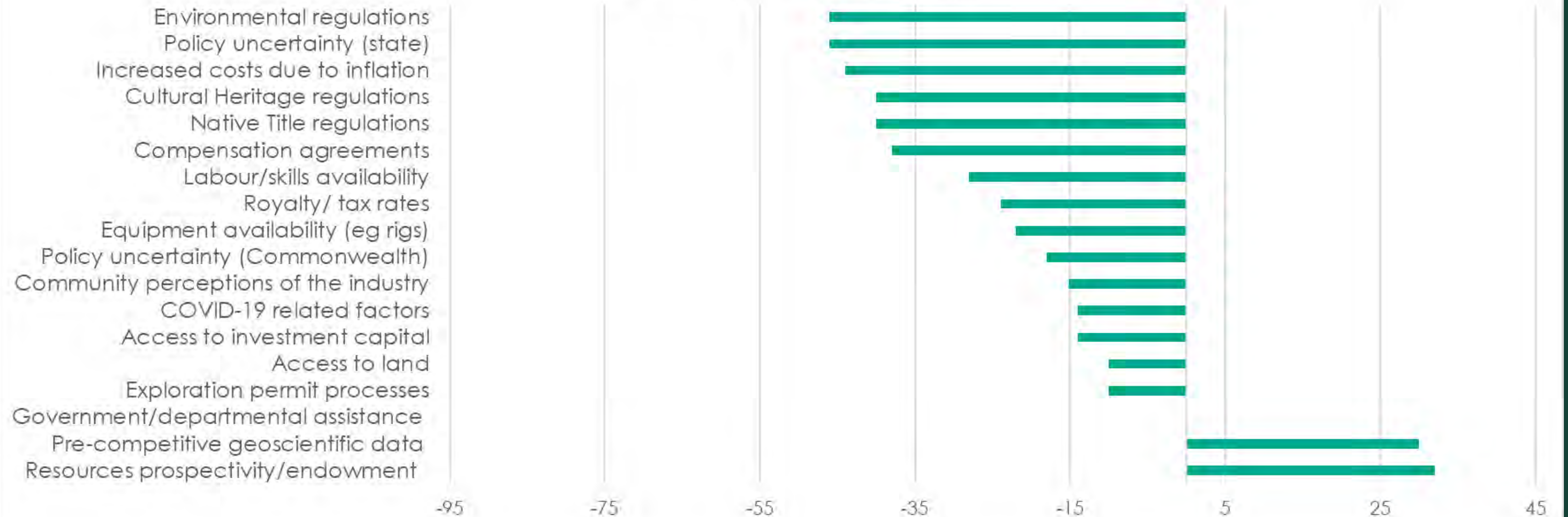
2010-11 to 2022-23



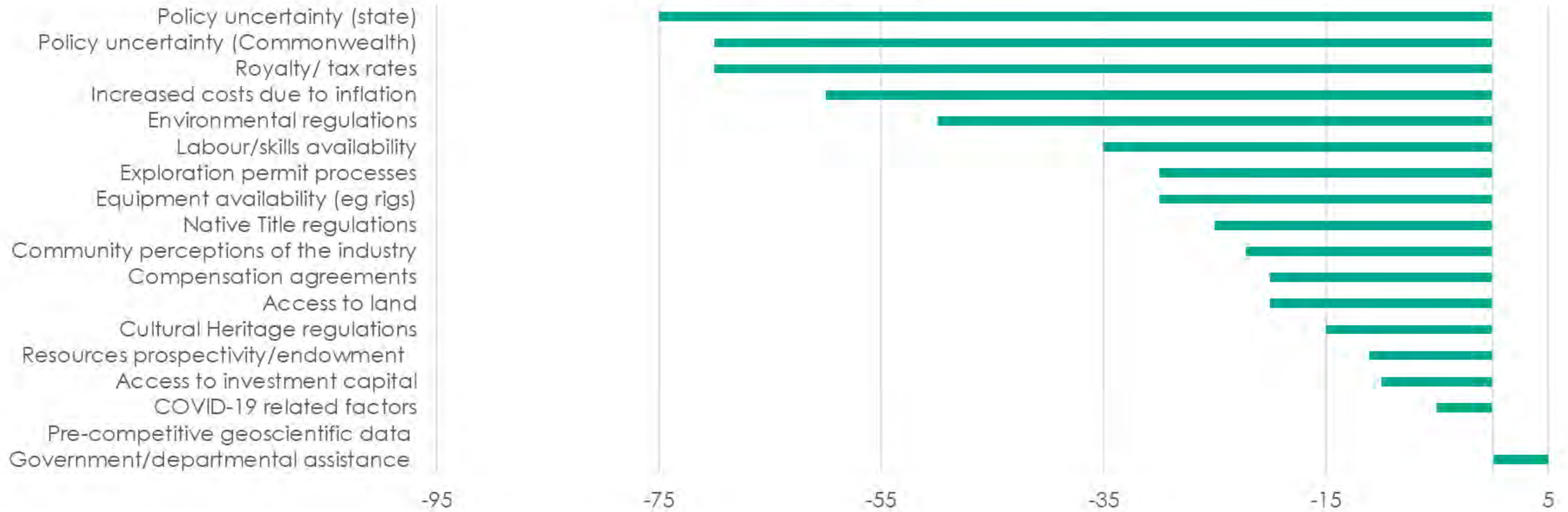
Exploration Sentiment Ranking 2022-23



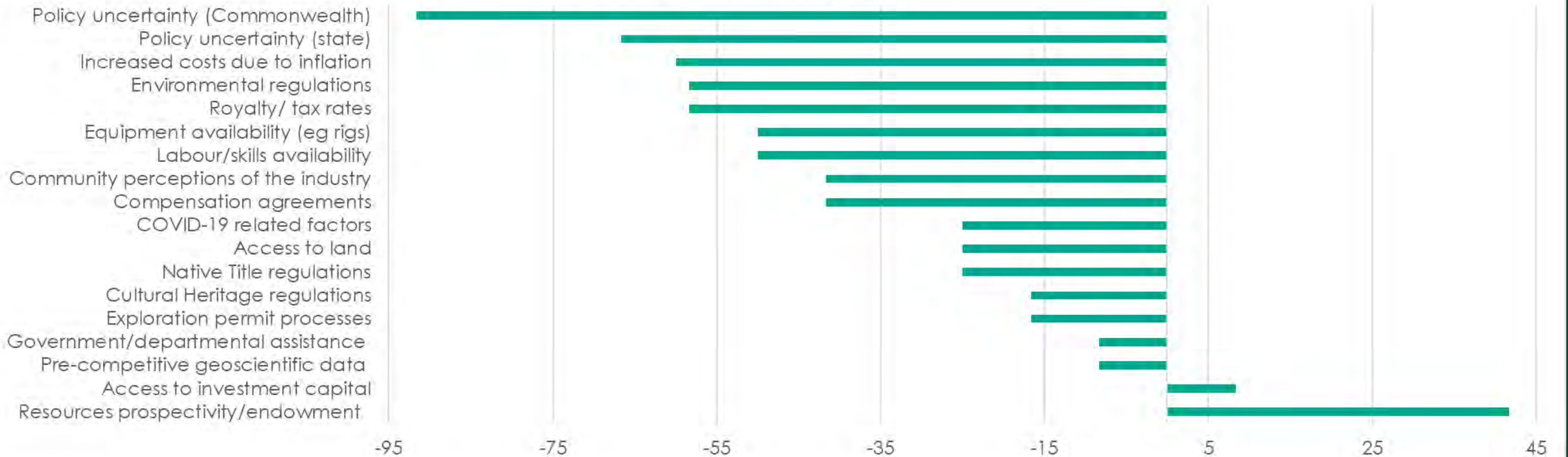
MINERALS INDUSTRY SENTIMENT RANKINGS



COAL INDUSTRY SENTIMENT RANKINGS

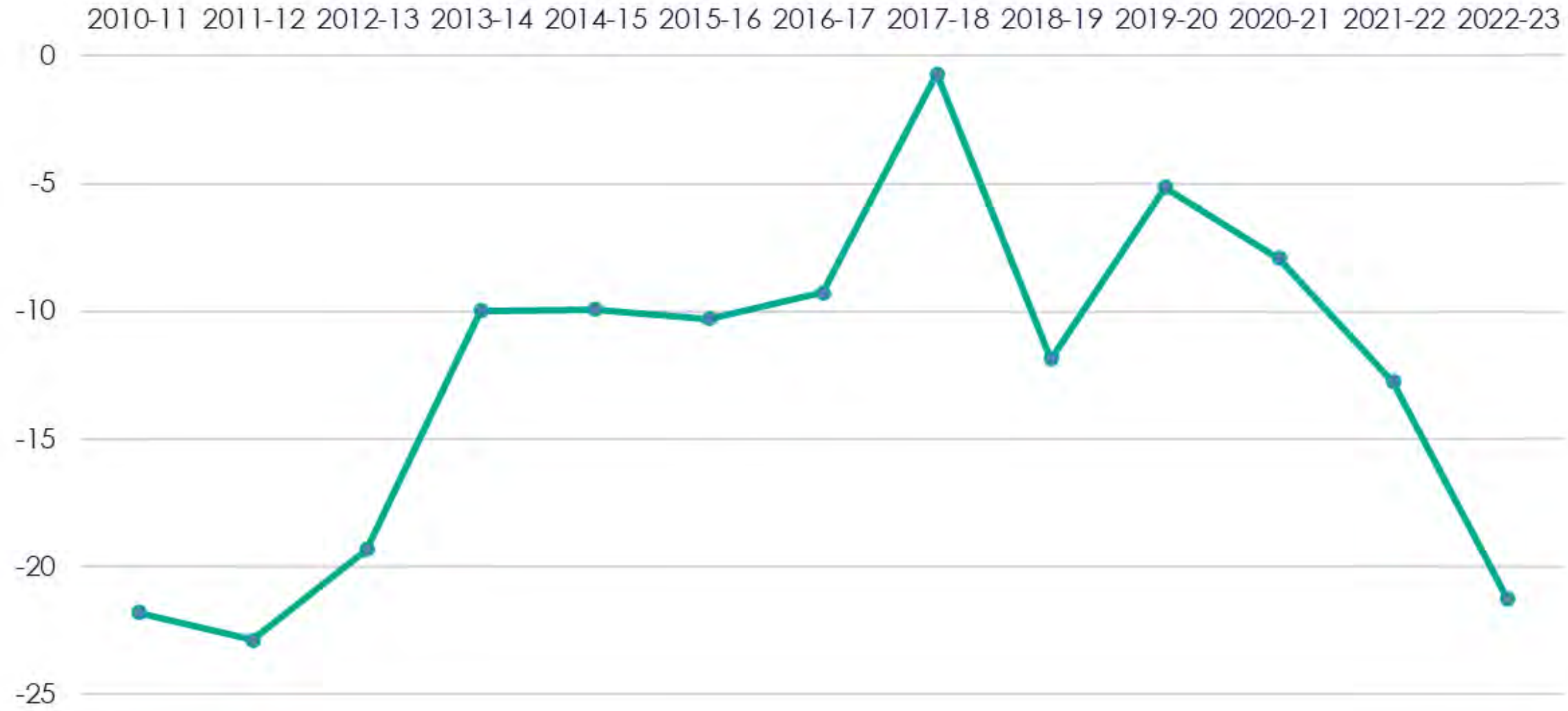


PETROLEUM INDUSTRY SENTIMENT RANKINGS



KEY SCORECARD TRENDS OVER THE PAST 13 YEARS

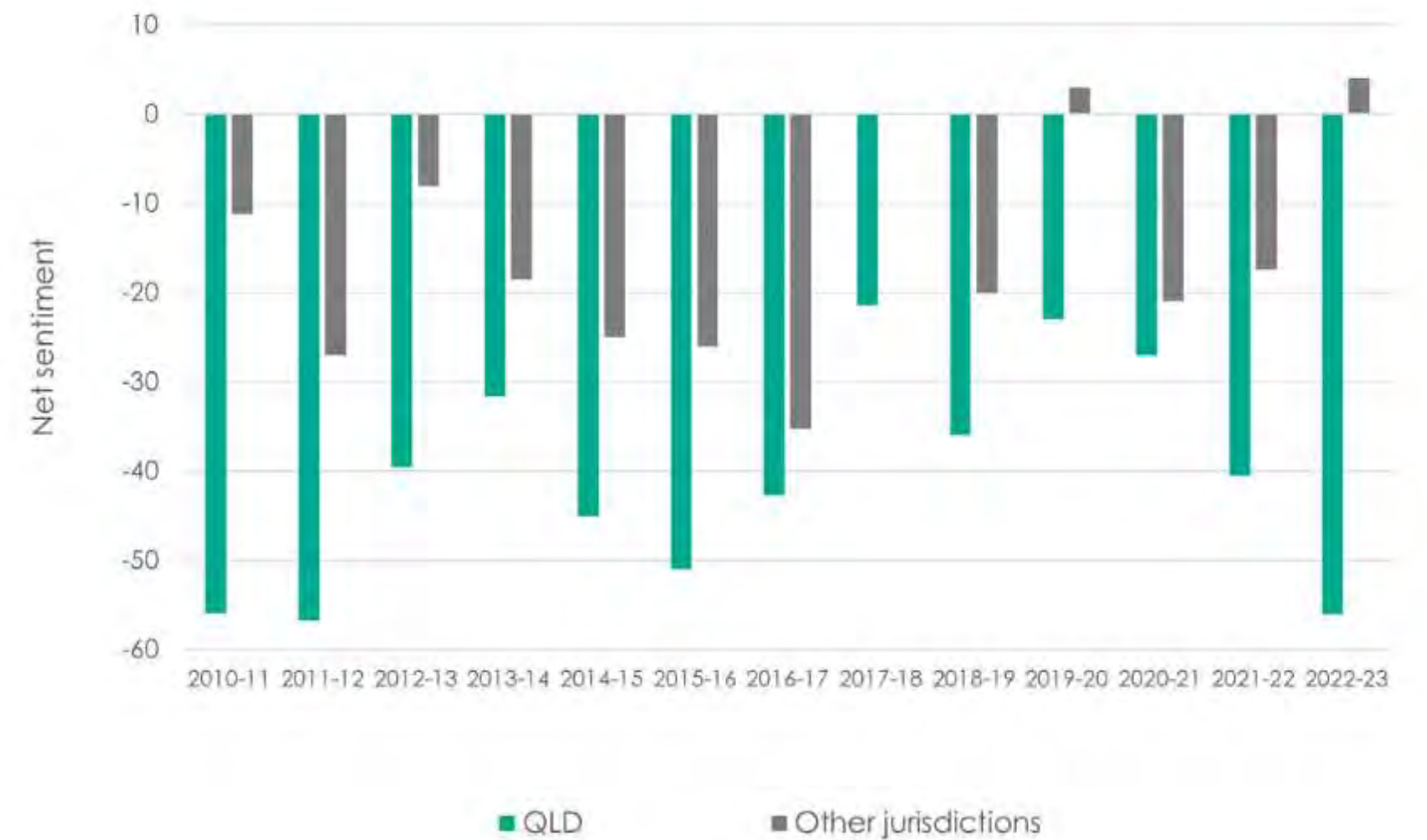
AVERAGE SENTIMENT ACROSS ALL SCORECARD CATEGORIES



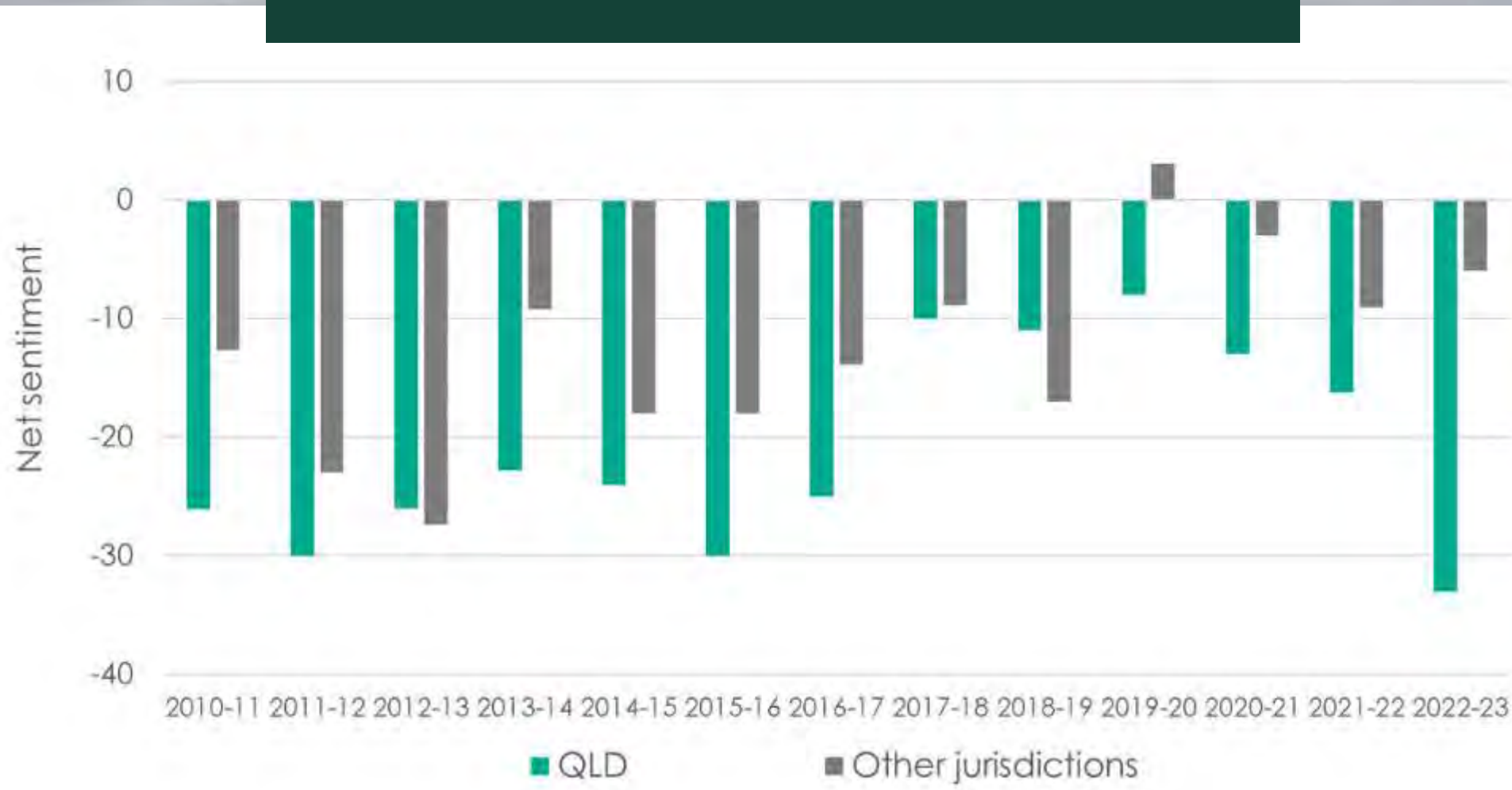
ENVIRONMENTAL REGULATIONS



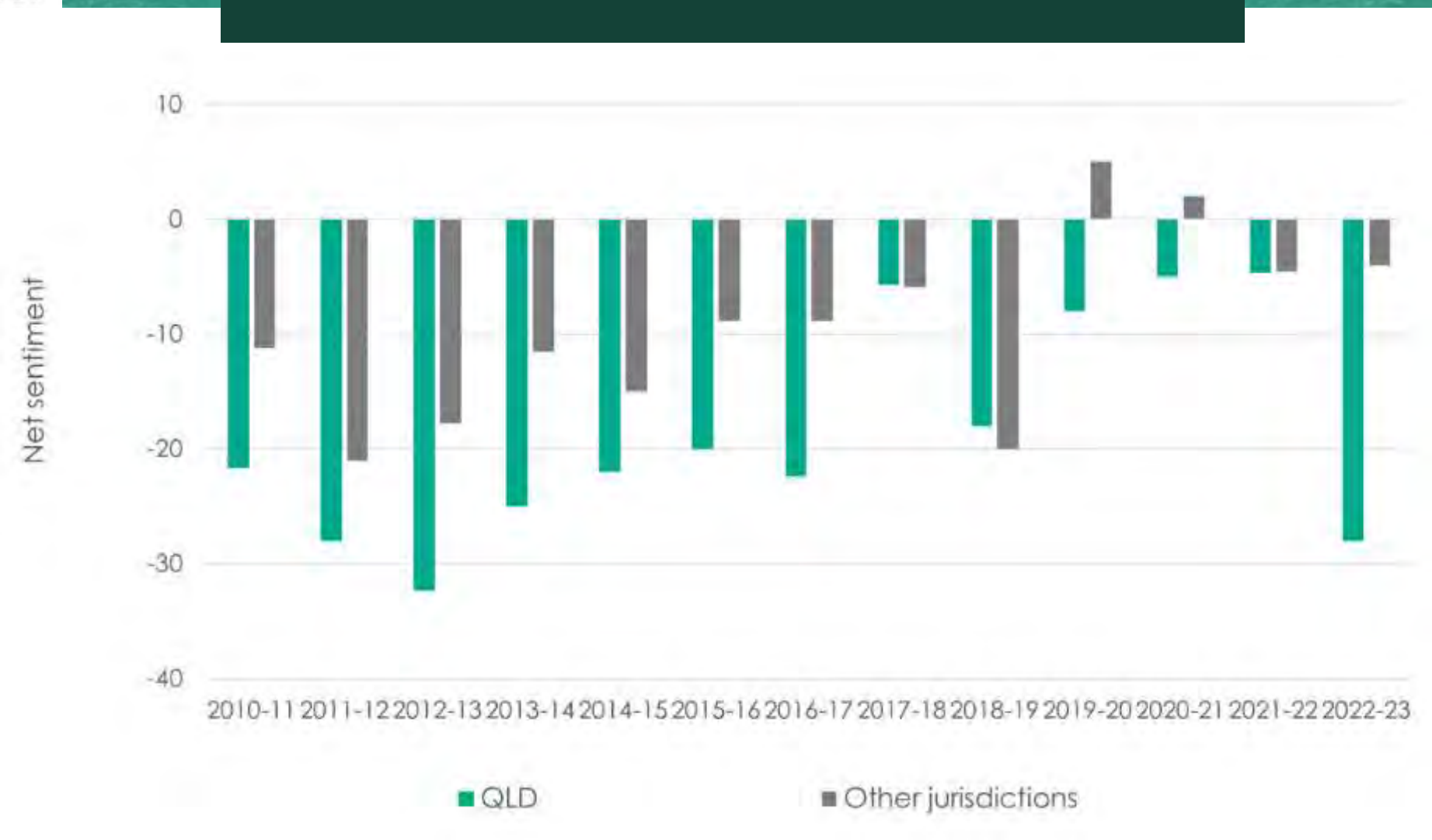
POLICY UNCERTAINTY



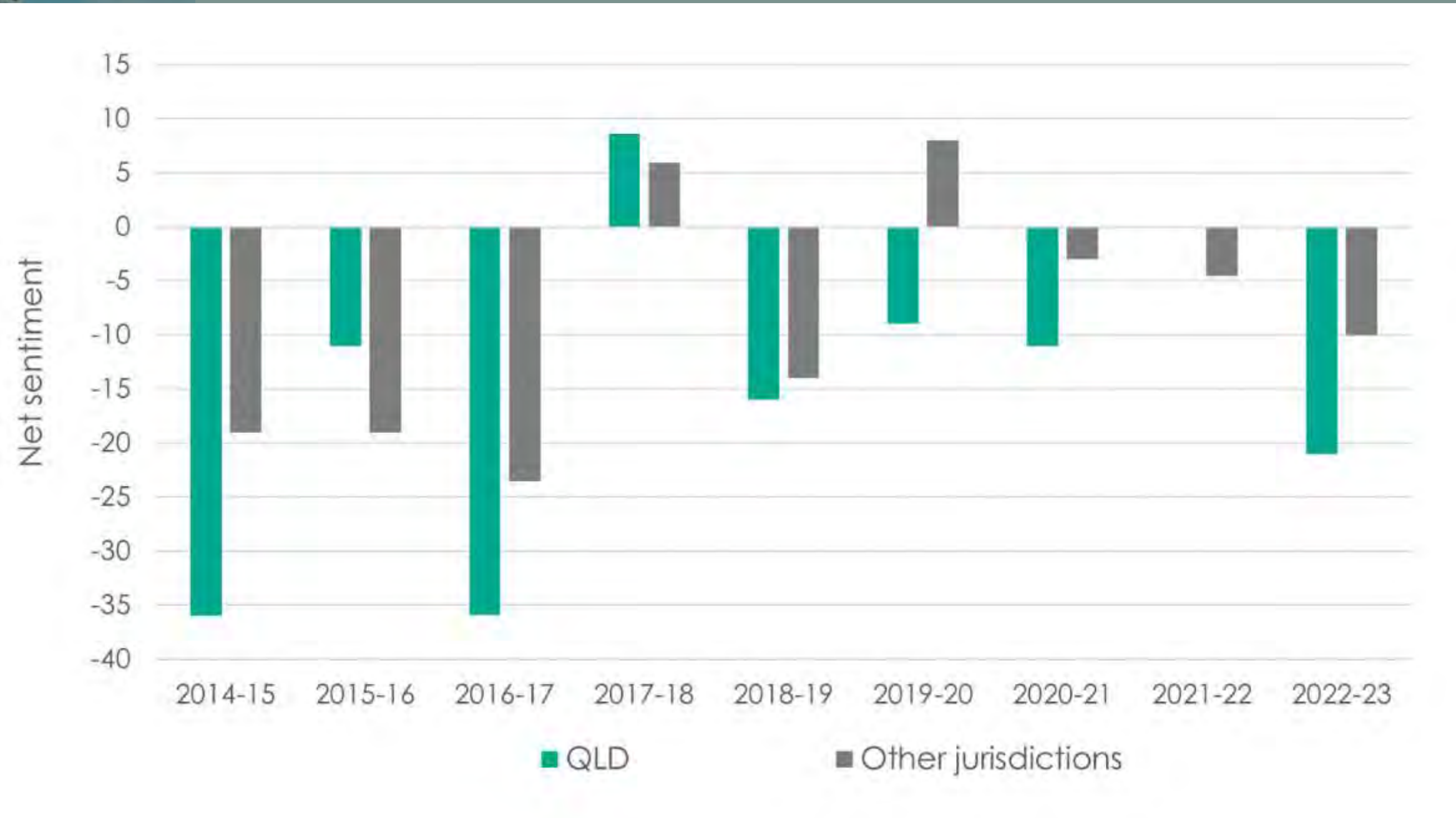
NATIVE TITLE REGULATIONS



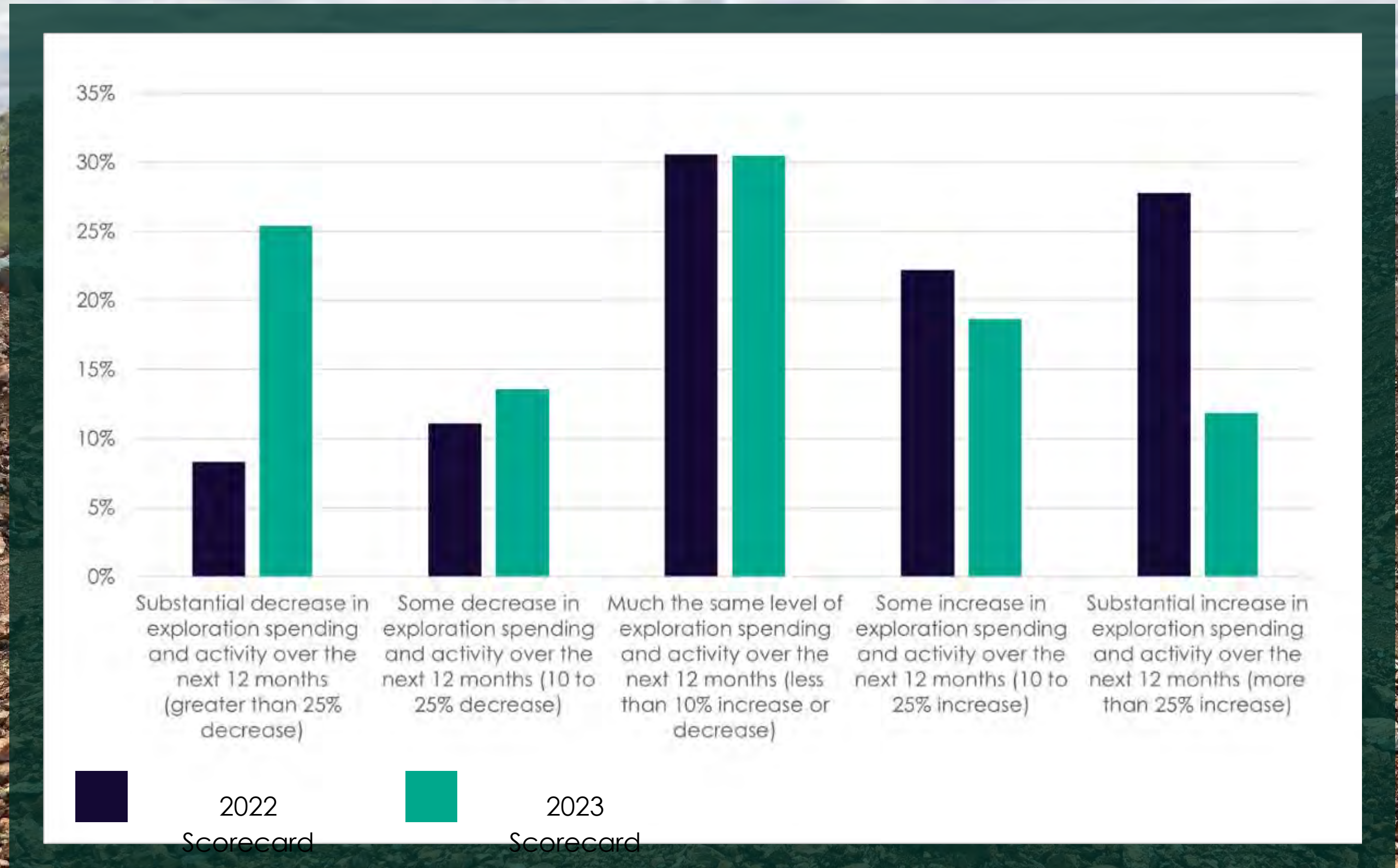
CULTURAL HERITAGE REGULATIONS



INDUSTRY PERCEPTION OF SOCIAL LICENCE TO OPERATE

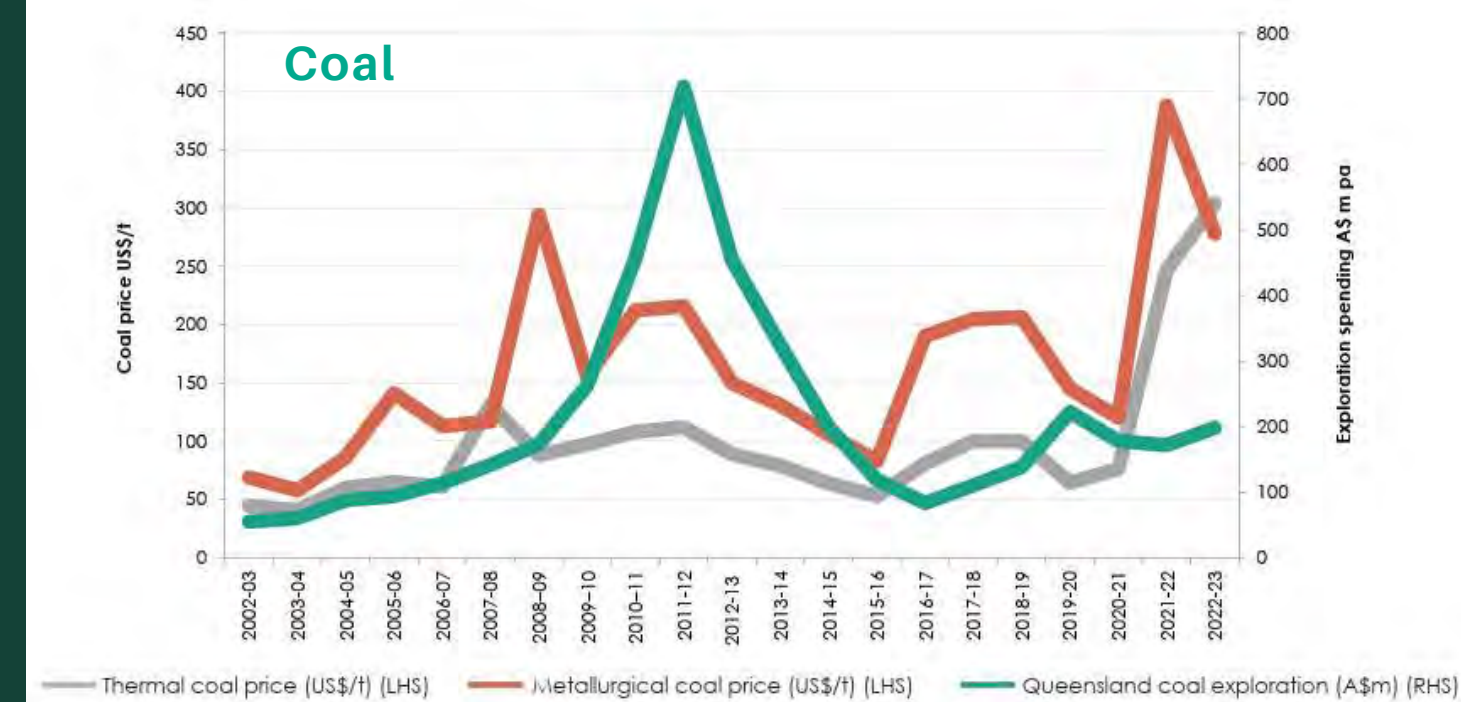
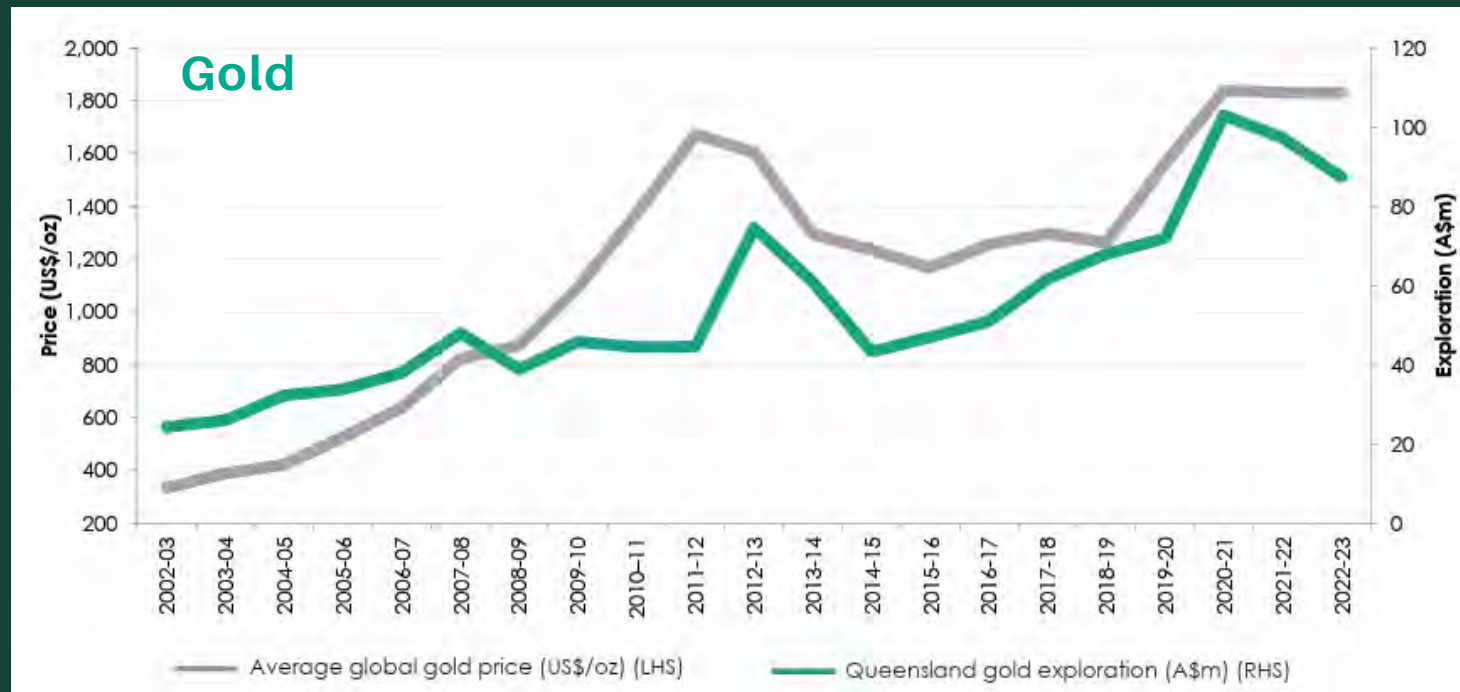


12-Month outlook for Exploration Expenditure

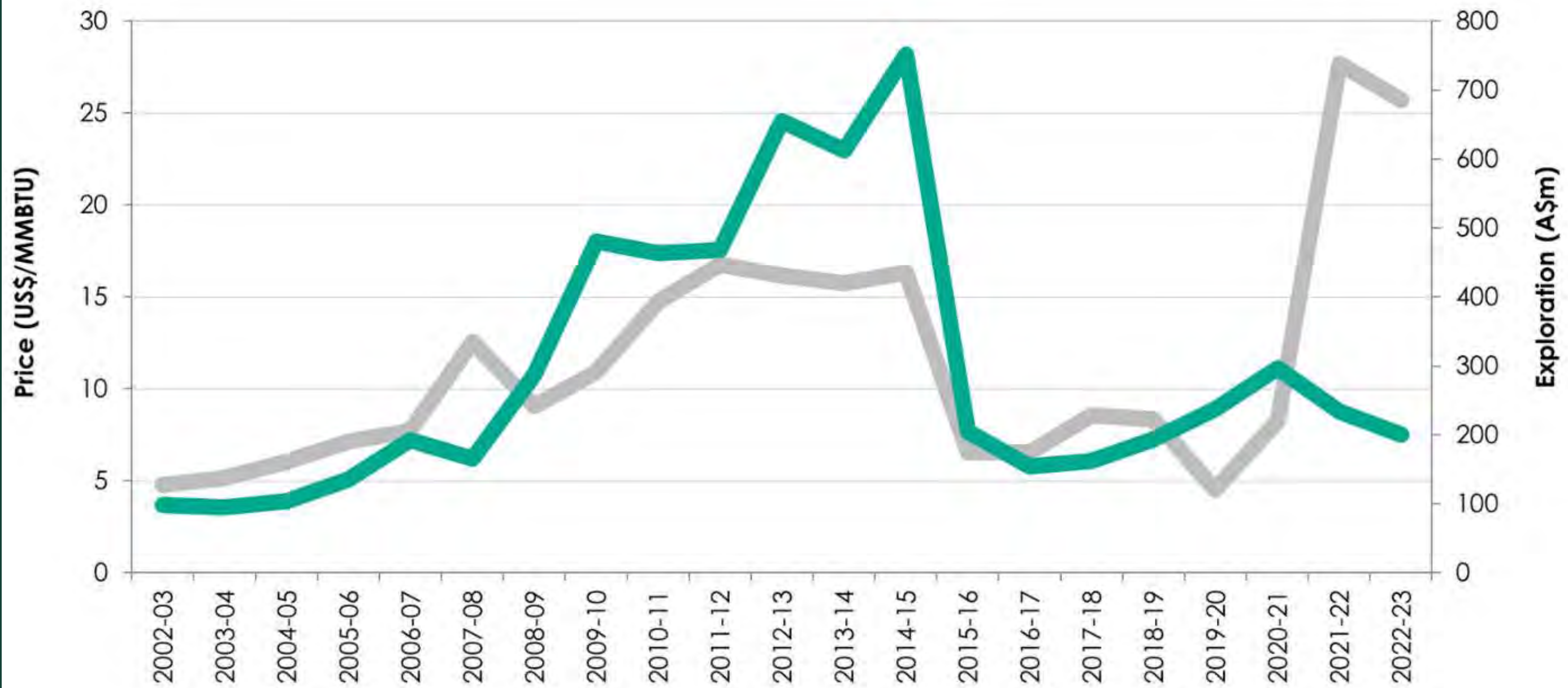


BENCHMARK PRICES vs EXPLORATION SPEND

by COMMODITY, 2002-03 TO 2022-23



GLOBAL AVERAGE BENCHMARK LNG PRICES AND QLD PETROLEUM EXPLORATION SPEND, 2002-03 TO 2022-23



Key initiatives

QEC PITCH-READY PROGRAM,
SUPPORTING EXPLORERS TO
ATTRACT INVESTMENT



New initiative launching soon!

A new initiative by QEC, aimed at empowering small explorer members and the industry with the knowledge and skills needed to attract investment effectively.

Member Briefing Event Series, featuring guest speakers sharing expertise on:

- How to write a pitch deck
- How to present at conferences
- How to capital raise
- How to write ASX announcements

Working Group begins meeting this month.

Get in touch to join us and contribute!



QUEENSLAND
resources
COUNCIL



queensland
exploration
council

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