

PAPYRUS AUSTRALIA LIMITED
ACN 110 868 409

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

Friday 26th November 2021

Time of Meeting

10.30 am (Adelaide time)

Place of Meeting

The Offices of BDO Audit (SA) Pty Ltd
Level 7, BDO Centre
420 King William Street
Adelaide SA 5000

NOTICE OF ANNUAL GENERAL MEETING

PAPYRUS AUSTRALIA LIMITED ACN 110 868 409

Notice is hereby given that the Annual General Meeting of shareholders of Papyrus Australia Limited (the **Company**) will be held at the Offices of BDO Audit (SA) Pty Ltd, Level 7 BDO Centre, 420 King William Street ADELAIDE SA 5000 at 10.30 am (Adelaide time) on 26 November 2021.

COVID-19

If you are attending in person please bring your Proxy form with you to assist registration. Given the restrictions in force and the uncertainty and potential health risks arising from the various strains of the Coronavirus (COVID-19) pandemic, Papyrus Australia Limited strongly encourages and requests Shareholders to lodge a directed proxy in advance of the meeting. Papyrus Australia Limited reserves the right to change the physical meeting to a virtual meeting, in the case this eventuates Papyrus Australia Limited will release an announcement on the ASX with updated meeting details.

Ordinary Business

To consider the Financial Statements for the financial year ended 30 June 2021 and accompanying reports of the Directors and Auditor.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2021."

Resolution 2: Re-election of David Attias as Director

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

"That Mr David Attias, being a Director who was appointed since the last Annual General Meeting of the Company, retires pursuant to Listing Rule 14.4 and Rule 8.1e(1) of the Company's Constitution and being eligible, and offering himself, for re-election, is re-elected as a Director."

Resolution 3: Approval of 10% Placement Facility

To consider, and if thought fit, pass, with or without amendment, the following resolution as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A, the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved."

Resolution 4: Appointment of BDO Audit (SA) Pty Ltd as Auditor

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

'That, for the purposes of section 327B of the Corporations Act 2001 (Cth) and for all other purposes, BDO Audit (SA) Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company and the Directors be authorised to set its remuneration.'

Resolution 5: Subsequent Approval of the Issue of 500,000 Options to Business Development Manager

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the grant of 500,000 Options to the Business Development Manager as a condition of the employment contract on 4 May 2021 on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved."

Resolution 6: Subsequent Approval of the Issue of 20,000,000 Options under Deed of Engagement

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the grant of 10,000,000 Options to BPE Investments Pty Ltd and 10,000,000 to Union Pacific Investments Pty Ltd under a Promotional Service Deed on 30 August 2021 on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved."

Resolution 7: Subsequent Approval of the Issue of 14,700,000 Shares to Sophisticated Investors

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the allotment and issue of 14,700,000 Shares to sophisticated investors on 4 December 2020 on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved."

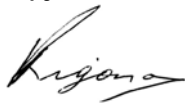
Resolution 8: Subsequent Approval of the Issue of 46,000,000 Shares to Sophisticated Investors

To consider, and if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the allotment and issue of 46,000,000 Shares to sophisticated investors on 10 December 2020 on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Dated 13 October 2021

By order of the Board
Papyrus Australia Ltd



Company Secretary

NOTES

1. EXPLANATORY MEMORANDUM

The Explanatory Memorandum accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting and should be read in conjunction with this Notice of Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum, which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

2. VOTING EXCLUSION STATEMENTS

(1) Resolution 1 – Adoption of Remuneration Report

The Company will disregard any votes cast on Resolution 1 by or on behalf of any of the following persons:

- (a) a member of Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides, and the appointment expressly authorises the person chairing the meeting to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

(2) Resolution 2 - Re-election of David Attias as Director

There are no voting restrictions with respect to Resolution 2.

(3) Resolution 3 – Approval of 10% Placement Facility

The Company will disregard any votes cast in favor of Resolution 3 by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person (and any associates of such a person) who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary shares, if Resolution 3 is passed (if and to the extent that those persons are known to and identified by the Company at the time of the Meeting).

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the chair decides.
- (c) A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

(4) Resolution 4 – Appointment of BDO Audit (SA) Pty Ltd as Auditor

There are no voting restrictions with respect to Resolution 4.

(5) Resolution 5 – Subsequent Approval of the Issue of 500,000 Options to Manager – Engineering and Business Development

The Company will disregard any votes cast in favor of Resolution 5 by Mr Peter Rostig, who participated in the issue and any of his respective associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the chair decides.
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

(6) Resolution 6 – Subsequent Approval of the Issue of 20,000,000 Options under deed of engagement

The Company will disregard any votes cast in favor of Resolution 6 by BPE Investments Pty Ltd and Union Pacific Investments Pty Ltd who participated in the issue and any of their respective associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the chair decides.

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

(7) Resolution 7 – Subsequent Approval of the Issue of 14,700,000 Shares to Sophisticated Investors

The Company will disregard any votes cast in favor of Resolution 7 by any person who participated in the issue that was associated with UPE Investments Pty Ltd and/or L39 Capital and any of their respective associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the chair decides.
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

(8) Resolution 8 – Subsequent Approval of the Issue of 46,000,000 Shares to Sophisticated Investors

The Company will disregard any votes cast in favor of Resolution 7 by any person who participated in the issue that was associated with UPE Investments Pty Ltd and/or L39 Capital and any of their respective associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the chair decides.
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

3. PROXIES

A Shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the Shareholder at the Meeting. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice of Meeting.

To record a valid vote, a Shareholder will need to take the following steps:

- (1) complete and lodge the manual proxy form at the share registry of the Company, Computershare Investor Services Pty Ltd:
 - (a) by post at the following address:

Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001

OR
 - (b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- (2) online by visiting www.intermediaryonline.com for Intermediary Online subscribers only (custodians)
- (3) Shareholders can also cast their proxy votes online, including by smartphone, at www.investorvote.com.au.

so that it is received no later than 10.30 am (Adelaide time) on Wednesday 24th November 2021.

Important information with respect to Resolution 1

If you appoint a member of Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, you must direct the proxy how they are to vote on Resolution 1. Undirected proxies granted to those persons will not be included in any vote on Resolution 1 (subject to the comments below with respect to appointing the chair of the Meeting as your proxy).

If you appoint the chair of the Meeting as your proxy

If you elect to appoint the chair of the Meeting as your proxy, you do not need to direct the chair how you wish them to exercise your vote on Resolution 1. However, by completing the proxy form, and appointing the chair of the Meeting as your proxy with no voting instruction, you expressly authorise the chair to exercise his discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

Alternatively, if you appoint the chair of the Meeting as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favor of each item of business.

4. 'SNAP SHOT' TIME

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Directors have determined that all Shares that are quoted on ASX as at 6.30pm (Adelaide time) on 24 November 2021 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

5. CORPORATE REPRESENTATIVE

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the corporate shareholder's constitution and the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening an Annual General Meeting of Shareholders of Papyrus Australia Limited to be held on Friday 26th November 2021. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice of Meeting and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider Resolutions 1 to 8(both inclusive).

1. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Annual Report for the year ended 30 June 2021 contains a remuneration report which sets out the remuneration policy of the Company.

An electronic copy of the 2021 Annual Report is available to download or view on the Company's website at www.papyrusaustralia.com.au. The 2021 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

Voting consequences

If at least 25% of the votes cast on a resolution to adopt the remuneration report are against the adoption of the Remuneration Report for two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of another general meeting within 90 days, at which all of the Company's Directors (other than the Managing Director) must go up for re-election (**Spill Resolution**).

At the Company's 2020 annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25% of total votes cast. Accordingly, the Spill Resolution is not a relevant consideration for this Meeting.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorize the chair to exercise your proxy on resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favor of Resolution 1.

2. RESOLUTION 2: RE-ELECTION OF DAVID ATTIAS AS DIRECTOR

Listing Rule 14.4 and rule 8.1(e)(1) of the Constitution, requires that at every annual general meeting of the Company any Director (excluding a managing director) appointed by the Board, either to fill a casual vacancy or as an addition to the Board, since the Company's last annual general meeting must retire from office as Director, and is eligible for re-election at that annual general meeting.

The Board appointed Mr David Attias as an addition to the Board after the Company's last Annual General Meeting. Accordingly, Mr Attias retires pursuant to Listing Rule 14.4 and rule 8.1(e)(1) of the constitution and, being eligible, offers himself for re-election.

A resume for Mr Attias follows:

David Attias, (Non-Executive Director)

Driven by business opportunity, David brings a solid financial, analytical and technological background to the Papyrus Team.

David is a serial entrepreneur, having founded and successfully managed e-commerce and hospitality businesses.

He is currently a director of L39 Capital, a non-executive director of Creative Food Australia, and has held a prior funds management position in a Blockchain Technology Investment Fund. David's experience is ultimately a reflection of his passion for property investment and portfolio management.

The Directors (other than Mr Attias) recommend that Shareholders vote in favour of Resolution 2 as they intend to do.

Resolution 2 is an ordinary resolution.

The chair intends to vote undirected proxies in favor of Resolution 2.

Resolution 2 is an ordinary resolution.

3. RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY

3.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital in accordance with the terms set out below (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company's market capitalisation as at 1 October 2021 was approximately AUD\$21,385,553 (based on the Company's issued share capital of 427,710,666 Shares and the closing price of AUD\$0.050 per Share on that date). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of Listing Rule 7.1A.

Resolution 3 requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favor of this Resolution.

No Director or Related Party will participate in any issue under the 10% Placement Facility unless specific approval is obtained for the purposes of Listing Rule 10.11 and for any other purpose required by law or the Listing Rules.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2, which is set out below.

3.2 Description of Listing Rule 7.1A

(1) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(2) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice of Meeting, has on issue the following classes of Equity Securities:

- (i) 427,710,666 Shares quoted on ASX; and
- (ii) 62,916,667 Options not quoted on ASX.

(3) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities who have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting at which shareholder approval was obtained, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary shares on issue at the commencement of the relevant period:

┆ plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2;

- ┘ plus the number of partly paid shares that became fully paid in the relevant period;
- ┘ plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rule 7.1 or 7.4;
- ┘ less the number of fully paid shares cancelled in the relevant period.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period that are not issued with the approval of shareholders under Listing Rule 7.4.

(4) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. As at the date of this Notice of Meeting, the Company has on issue 427,710,666 Shares and therefore has a capacity to issue:

- (i) 64,156,600 Equity Securities under Listing Rule 7.1; and
- (ii) 42,771,067 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph (3) above).

(5) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

The Company can issue Equity Securities under the 10% Placement Facility for cash consideration

(6) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

3.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period in addition to using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders entitled to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) on the Resolution.

3.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of this Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities, which may have an effect on the amount of funds raised by the issue of the equities.

The table below shows the risk of voting dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows:

- I. two examples where variable "A" has increased, by 50% and 100%, based on the number of ordinary Shares the Company has on issue as at the date of this Notice of Meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- II. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.025 50% decrease in Issue Price	\$0.050 Issue Price	\$0.100 100% increase in Issue Price
Current variable "A" 427,710,666 Ordinary Shares	10% Voting Dilution	42,771,066 Ordinary Shares	42,771,066 Ordinary Shares	42,771,066 Ordinary Shares
	Funds Raised	\$1,069,277	\$2,138,553	\$4,277,107
50% increase in current variable "A" 641,565,999 Ordinary Shares	10% Voting Dilution	64,156,600 Ordinary Shares	64,156,600 Ordinary Shares	64,156,600 Ordinary Shares
	Funds Raised	\$1,603,915	\$3,207,830	\$6,415,660
100% increase in current variable "A" 855,421,332 Ordinary Shares	10% Voting Dilution	85,542,133 Ordinary Shares	85,542,133 Ordinary Shares	85,542,133 Ordinary Shares
	Funds Raised	\$2,138,553	\$4,277,107	\$8,554,213

The table has been prepared based on the total number of Ordinary Shares on issue at the date of the Notice, and on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) None of the unlisted options that the Company currently has on issue are exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue, assuming variable A is equal to the total issued share capital at that time. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10%

Placement Facility, based on that Shareholder's holding at the date of the Meeting.

- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well.
- (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (viii) The current market price of Shares is \$0.050, being the closing price of Shares on ASX on 1 October 2021.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction for the purposes of Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new investors who are not Related Parties of the Company or their associates.

Further, if the Company is successful it can only issue the Equity Securities for cash consideration.

If Resolution 3 is approved by Shareholders, the Company will issue Equity Securities under the 10% Placement Facility during the 10% Placement Period, as and when the circumstances of the Company require.

- (g) A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities under the 10% Placement Capacity. No existing Shareholder votes will therefore be excluded under the voting exclusion statement in the Notice of Meeting.

The directors recommend that Shareholders vote in favor of Resolution 3 as they intend to do.

Although we obtained shareholder approval for additional issuance capacity under Listing Rule 7.1A at last year's AGM, no securities were issued under Listing Rule 7.1A.

The chair intends to vote undirected proxies in favor of Resolution 3.

4. RESOLUTION 4: APPOINTMENT OF BDO AUDIT (SA) PTY LTD AS AUDITOR

In accordance with Section 327c of the Corporations Act the Company announced to the ASX that effective from 4 June 2021 BDO Audit (SA) Pty Ltd ('BDO') has been appointed as the auditor of the Company following ASIC's consent to the resignation of Grant Thornton Audit Pty Ltd in accordance with Section 329(5) of the Corporations Act.

The Board's decision to change auditors was made following a consultation process, and chose BDO based on their reputation and experience, and their international network particularly in Egypt where the Papyrus Egypt factory is located.

Under Section 327C(2) of the Corporations Act, an auditor who has been appointed under section 327C(1) of the Corporations Act holds office until the Company's next annual general meeting.

BDO has provided the Company its written consent to act, subject to shareholder approval being obtained, as the Company's auditor in accordance with Section 328A(1) of the Corporations Act.

The directors recommend that Shareholders vote in favor of Resolution 4 as they intend to do.

The chair intends to vote undirected proxies in favor of Resolution 4.

5. RESOLUTION 5: SUBSEQUENT APPROVAL OF THE GRANT OF 500,000 OPTIONS

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of Shareholders is required for the issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue by a company of Equity Securities made without prior approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the Company's members subsequently approve it.

The proposed issue of the options forms part of the employment contract for the Manager – Engineering and Business Development. The options comprise of 2 tranches, namely, tranche 1 is for the issue of 250,000 options vesting 12 months from the date of issue, and tranche 2 is for the issue of 250,000 options vesting 24 months after the date of issue.

The Company seeks Shareholder approval for Resolutions 5 for the purposes of Listing Rule 7.4 for the issue of the 500,000 Options on 4 May 2021 to the Manager – Engineering and Business Development.

If Resolutions 5 is passed then the Options will be deemed to have been granted with Shareholder approval. If Resolutions 5 is not passed, then the Company's 15% placement capacity under Listing Rule 7.1 will not be refreshed to the extent of the Shares, which will restrict the Company's ability to issue securities or seek funding by way of capital raisings over the next 12 months.

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 5 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) a total number of 500,000 Options (tranche 1: 250,000 options and tranche 2: 250,000 option) were issued pursuant to Resolution 5;
- (b) The Options were granted for nil cash consideration;
- (c) The Options were granted to Manager – Engineering and Business Development by the Company (ASX: Announcement 26 June 2021);
- (d) The Options were granted on the terms and conditions set out in Schedule 2 to these Explanatory Notes;
- (e) the Options were granted as part of the employment contract;
- (f) A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favor of Resolutions 5 and as they intend to do.

The chair intends to vote undirected proxies in favor of Resolution 5.

6. RESOLUTION 6: SUBSEQUENT APPROVAL OF THE ISSUE OF 20,000,000 OPTIONS UNDER DEED OF ENGAGEMENT

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of Shareholders is required for the issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue by a company of Equity Securities made without prior approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the Company's members subsequently approve it.

The proposed issue of the options is in accordance with the executed promotional services Deed with Sydney-based BPE Investments Pty Ltd ('BPE' - proprietor Ben Elias) and Union Pacific Investments Pty Ltd ('UPI' – proprietor Siew Hong Koh) to assist the Company with its international business. The objective of the arrangement is for BPE and UPI to:

- Promote the Company to potential users of its environmentally friendly technology
- Improve the Company's opportunities and profile in Australia and internationally
- Increase value for shareholders

The Company seeks Shareholder approval for Resolutions 6 for the purposes of Listing Rule 7.4 for the issue of the 20,000,000 Options on 30 August 2021.

If Resolutions 6 is passed then the Options will be deemed to have been granted with Shareholder approval. If Resolutions 6 is not passed, then the Company's 15% placement capacity under Listing Rule 7.1 will not be refreshed to the extent of the Shares, which will restrict the Company's ability to issue securities or seek funding by way of capital raisings over the next 12 months.

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 11 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) a total number of 20,000,000 Options were issued pursuant to Resolution 6;
- (b) The Options were granted for a cash consideration of \$0.0005 per Option;
- (c) 10,000,000 Options were granted to BPE and 10,000,000 were granted to UPI by the Company (ASX: Announcement 30 August 2021);
- (d) The Options were granted on the terms and conditions set out in Schedule 3 to these Explanatory Notes;
- (e) the Options were granted for services to be rendered referred to in the Company's announcement noted above dated 30 August 2021;
- (f) A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favor of Resolutions 6 and as they intend to do.

The chair intends to vote undirected proxies in favor of Resolution 6.

7. RESOLUTION 7: SUBSEQUENT APPROVAL OF THE ISSUE OF 14,700,000 SHARES TO SOPHISTICATED INVESTORS

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of Shareholders is required for the issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue by a company of Equity Securities made without prior approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the Company's members subsequently approve it.

The Company seeks Shareholder approval for Resolution 7 for the purposes of Listing Rule 7.4 for the issue of the 14,700,000 Shares to sophisticated investors on 4 December 2020.

If Resolution 7 is passed then the Shares will be deemed to have been issued with Shareholder approval. If Resolution 7 is not passed, then the Company's 15% placement capacity under Listing Rule 7.1 will not be refreshed to the extent of the Shares, which will restrict the Company's ability to issue securities or seek funding by way of capital raisings over the next 12 months.

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 4 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The total number of Shares issued was 14,700,000 Shares.
- (b) The issue price was \$0.05 per Share.
- (c) The Shares are fully paid ordinary Shares that rank equally in all respects with existing Shares.
- (d) The Shares were issued to sophisticated investors.
- (e) \$735,000 was raised by the issue of the Shares. Funds raised by the issue have and are being used to fund the Company's operating expenses and compliance costs.
- (f) A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favor of Resolution 7 as they intend to do.

The chair intends to vote undirected proxies in favor of Resolution 7.

8. RESOLUTION 8: SUBSEQUENT APPROVAL OF THE ISSUE OF 46,000,000 SHARES TO SOPHISTICATED INVESTORS

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of Shareholders is required for the issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue by a company of Equity Securities made without prior approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the Company's members subsequently approve it.

The Company seeks Shareholder approval for Resolution 8 for the purposes of Listing Rule 7.4 for the issue of the 46,000,000 Shares to sophisticated investors on 10 December 2020.

If Resolution 8 is passed then the Shares will be deemed to have been issued with Shareholder approval. If Resolution 8 is not passed, then the Company's 15% placement capacity under Listing Rule 7.1 will not be refreshed to the extent of the Shares, which will restrict the Company's ability to issue securities or seek funding by way of capital raisings over the next 12 months.

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 4 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (g) The total number of Shares issued was 46,000,000 Shares.
- (h) The issue price was \$0.05 per Share.
- (i) The Shares are fully paid ordinary Shares that rank equally in all respects with existing Shares.
- (j) The Shares were issued to sophisticated investors.
- (k) \$2,300,000 was raised by the issue of the Shares. Funds raised by the issue have and are being used to fund the Company's operating expenses and compliance costs.
- (l) A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favor of Resolution 8 as they intend to do.

The chair intends to vote undirected proxies in favor of Resolution 8.

GLOSSARY

In this Notice of Meeting and Explanatory Memorandum the following expressions have the following meanings unless stated otherwise or unless the context requires otherwise:

10% Placement Facility has the meaning given in section 3.1.

10% Placement Period has the meaning given in section 3.2(6).

ASX means ASX Limited (ACN 008 624 691).

Board means the board of Directors.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (a) a child of the member's spouse;
- (b) a dependent of the member or of the member's spouse;
- (c) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (d) a company the member controls; or
- (e) a person prescribed as such by the *Corporations Regulations* 2001 (Cth).

Company means Papyrus Australia Limited (ACN 110 868 409).

Constitution means the constitution of the Company (as amended from time to time).

Corporations Act means the *Corporations Act* 2001 (Cth).

Director means a director of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards (as defined in section 9 of the Corporations Act), so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting means the annual general meeting of Shareholders convened by this Notice of Meeting.

Notice of Meeting or **Notice** means the notice of meeting to which this Explanatory Memorandum is attached.

Option means an option to acquire a Share.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

VWAP means volume weighted average price.

SCHEDULE 1 – SUPPLEMENTARY INFORMATION RESOLUTIONS 7 and 8

The table below sets out the details of all the issues of Equity Securities by the Company in the 12 months preceding this Meeting.

Number *	Class and terms of that Class	Allottees (or basis for determining allottees)	Issue price and the discount this represented to market price (if any)	Funds Raised	Use of Funds and amount that has been spent or intended use in the future	Non-cash Consideration
14,700,000	Ordinary Fully Paid shares	Sophisticated Investors*	\$0.05	\$735,000	Working capital	Nil
46,000,000	Ordinary Fully Paid shares	Sophisticated Investors**	\$0.05	\$2,300,000	Working capital	Nil

* Sophisticated investors associated with UPE Investments Pty Ltd and L39 Capital.

** Sophisticated investors associated with UPE Investments Pty Ltd and L39 Capital.

*** The 60,700,000 equity securities issued in the period preceding the date of the Company's AGM represented a total of 16.27% of the total number of equity securities on issue at the commencement of that period.

SCHEDULE 2 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 5

TERMS AND CONDITIONS OF OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. Each of the tranche 1 Options is exercisable at \$0.20 and each of the tranche 2 Options is exercisable at \$0.40.
3. Tranche 1 options vest on 4 May 2022 and tranche 2 options vest on 4 May 2023
4. Each options is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on the date that is 5 years after the date of issue (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
5. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
6. The Company will not apply to ASX for official quotation of the options.
7. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
8. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
10. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days

immediately preceding the ex rights date or ex entitlement date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

11. If, during the currency of the options the issued capital of the Company is reorganized, those options will be reorganized to the extent necessary to comply with ASX Listing Rules.

SCHEDULE 3 – SUPPLEMENTARY INFORMATION FOR RESOLUTIONS 6

TERMS AND CONDITIONS OF OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. Each of the options is exercisable at \$0.06.
3. Each options is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on the date that is 12 months after the date of issue (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the ex rights date or ex entitlement date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

10. If, during the currency of the options the issued capital of the Company is reorganized, those options will be reorganized to the extent necessary to comply with ASX Listing Rules.



Papyrus Australia Ltd
ABN 63 110 868 409

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (ACDT) on Wednesday, 24 November 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 186023

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/we being a member/s of Papyrus Australia Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Papyrus Australia Limited to be held at The Offices of BDO Audit (SA) Pty Ltd, Level 7, BDO Centre, 420 King William Street, Adelaide, SA 5000 on Friday, 26 November 2021 at 10:30am (ACDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of David Attias as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of BDO Audit (SA) Pty Ltd as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Subsequent Approval of the Issue of 500,000 Options to Business Development Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Subsequent Approval of the Issue of 20,000,000 Options under Deed of Engagement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Subsequent Approval of the Issue of 14,700,000 Shares to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Subsequent Approval of the Issue of 46,000,000 Shares to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically