

PAPYRUS AUSTRALIA LIMITED
ACN 110 868 409

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

Wednesday 27th November 2024

Time of Meeting

10.30am

Place of Meeting

The Offices of BDO Audit 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 Pty Ltd, Level 7, BDO Centre, 420 King William Street ADELAIDE SA 5000 at 10.30 am (Adelaide time) on 27 November 2024.

Ordinary Business

To consider the Financial Statements for the financial year ended 30 June 2024 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 2024.”

Resolution 2: Re-election of Al Jawhari as Executive Director

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

“That Mr. Al Jawhari, having been an executive director who was appointed since the last Annual General Meeting of the Company, retires pursuant to Listing Rule 14.4 and rule 8.1(e)(2) of the Constitution, and being eligible, offers himself for re-election, is re-elected as an Executive Director.”

Resolution 3: Re-election of Brad Lemmon as Non-Executive Director

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

“That Mr. Brad Lemmon, having been a Director who was appointed since the last Annual General Meeting of the Company, retires pursuant to Listing Rule 14.4 and rule 8.1(e)(2) of the Constitution, and being eligible, offers himself for re-election, is re-elected as a Non-Executive Director.”

Resolution 4: Re-election of David Attias as Non-Executive 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 a Non-Executive Director.”

Resolution 5: Approval of Additional 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 6: Subsequent Approval for the Issue of 5,000,000 Unlisted Options 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 granting of 5,000,000 Unlisted Options to sophisticated investors 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 27,777,777 Unlisted Options 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 granting of 27,777,777 Unlisted Options to sophisticated investors 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 8,797,222 Unlisted Options 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 granting of 8,797,222 Unlisted Options to sophisticated investors on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 9: Approval of the Issue of 8,000,000 Unlisted Options to Daniel Schmidt Under Employment Contract

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 10.12 (exemption 4) and for all other purposes, the grant of 8,000,000 Options to Mr. Daniel Schmidt on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 10: Approval of the Issue of 25,000,000 Shares and 25,000,000 Unlisted Options to Al Jawhari

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 10.11 and for all other purposes, the granting of 25,600,000 Shares and 25,600,000 Unlisted Options to Mr. Al Jawhari on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 11: Approval of the Issue of 25,000,000 Unlisted Options Under Share Purchase and Loan Agreement

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 12,500,000 Options to BPE Investments Pty Ltd and 12,500,000 to Union Pacific Investments Pty Ltd under a Share Purchase & Loan Agreement on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 12: Approval of the Issue of 6,000,000 Unlisted Options to Brad Lemmon

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 10.11 and for all other purposes, the granting of 6,000,000 Unlisted Options to Mr. Brad Lemmon the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 13: Conditional Spill Resolution

The following resolution is conditional on at least 25% of the votes cast on Resolution in this Notice of Meeting being AGAINST the adoption of the Remuneration Report.

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

“That, for the purposes of Section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to hold another meeting of shareholders within 90days of the date of this meeting (Spill Meeting); and*
- (b) all Directors (excluding the Managing Director), who were Directors at the time the board resolution to make to make the 2023 Director’s Report was passed and who remain directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting (Vacating Directors); and*
- (c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting”*

Dated 8 October 2024

**By order of the Board
Papyrus Australia Ltd**



**Vincent Rigano
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 (in any capacity) 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 Al Jawhari as Executive Director

There are no voting restrictions with respect to Resolution 2.

(3) Resolution 3 - Re-election of Brad Lemmon as Non-executive Director

There are no voting restrictions with respect to Resolution 3.

(4) Resolution 4 - Re-election of David Attias as Non-executive Director

There are no voting restrictions with respect to Resolution 4.

(5) Resolution 5 – Approval of Additional 10% Placement Facility

The Company will disregard any votes cast in favour of Resolution 5 by a person or those persons who may participated in the 10% Placement Facility and a person who might obtain a material benefit (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any associates of such a person or those persons.

However, the Company will not disregard a vote cast in favour 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 for the Issue of 5,000,000 Unlisted Options to Sophisticated Investors

The Company will disregard any votes cast in favour of Resolution 6 by a person who participated in, or obtained a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) and an associate of that person or persons.

However, the Company will not disregard a vote cast in favour 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 27,777,777 Unlisted Options to Sophisticated Investors

The Company will disregard any votes cast in favour of Resolution 7 by a person who participated in, or obtained a material benefit as a result of the issue of options (except a benefit solely by reason of being a holder of ordinary securities in the entity) and an associate of that person or persons.

However, the Company will not disregard a vote cast in favour 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 8,797,222 unlisted Options to Sophisticated Investors

The Company will disregard any votes cast in favour of Resolution 8 by a person who participated in, or obtained a material benefit as a result of the issue of options (except a benefit solely by reason of being a holder of ordinary securities in the entity) and an associate of that person or persons.

However, the Company will not disregard a vote cast in favour 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.

(9) Resolution 9 – Approval of the Issue of 8,000,000 Unlisted Options to Daniel Schmidt Under Employment Contract

The Company will disregard any votes cast in favour of Resolution 9 by Daniel Schmidt and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) and an associate of that person or persons.

However, the Company will not disregard a vote cast in favour 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.

Further, a vote on Resolution 9 must not be cast as a proxy by or on behalf of any of the following persons:

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

However, a person described above may cast a vote on Resolution 9 as a proxy if the vote is not cast on behalf of a person described above and either:

- (i) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

(10) Resolution 10 – Approval of the Issue of 25,000,000 Shares and 25,000,000 Unlisted Options to Al Jawhari

The Company will disregard any votes cast in favour of Resolution 10 by Al Jawhari or any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) and an associate of that person or persons.

However, the Company will not disregard a vote cast in favour 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.

Further, a vote on Resolution 10 must not be cast as a proxy by or on behalf of any of the following persons:

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

However, a person described above may cast a vote on Resolution 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- (j) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

(11) Resolution 11 – Approval of the Issue of 25,000,000 Unlisted Options Under Share Purchase and Loan Agreement

The Company will disregard any votes cast in favour of Resolution 11 by BPE Investments Pty Ltd and Perfection Australia Group Pty Ltd and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) and an associate of that person or persons.

However, the Company will not disregard a vote cast in favour 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.

(12) Resolution 12 – Approval of the Issue of 6,000,000 Unlisted Options to Brad Lemmon

The Company will disregard any votes cast in favour of Resolution 12 Brad Lemmon and any other person who will obtain a material benefit (except a

benefit solely by reason of being a holder of ordinary securities in the entity) as a result of the proposed issue and an associate of that person or persons.

However, the Company will not disregard a vote cast in favour 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.

Further, a vote on Resolution 12 must not be cast as a proxy by or on behalf of any of the following persons:

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

However, a person described above may cast a vote on Resolution 12 as a proxy if the vote is not cast on behalf of a person described above and either:

- (j) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

(13) Resolution 13 – Conditional Spill Resolution

A vote must not be cast on this resolution in any capacity (and will be taken to have not been cast if contrary to this restriction) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or any closely related Party of such member. However, such a member or any Closely Related Party of such a member may cast a vote as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; or

- (b) the proxy is the Chair of the meeting at which the resolution is voted on and the appointment does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

This resolution is a conditional resolution. It will be put to the Annual General Meeting irrespective of whether the Company receives a Second Strike however the result of the vote will be of no force and effect and will not be disclosed if the Company does not receive a Second strike.

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 Limited:
 - (a) by post at the following address:

Computershare Investor Services Pty
Limited
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 10.30am (Adelaide time) on Monday 25th November 2024.

Important information with respect to Resolution 1, 9, 10, 12 and 13

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 Resolutions 1, 9, 10, 12 and 13. Undirected proxies granted to those persons will not be included in any vote on Resolution 1, 9, 10, 12 and 13 (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, 9, 10, 12 and 13. 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, 9, 10, 12 and 13 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, 9, 10, 12 and 13 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of each item of business with the exception of Resolution 13 where the chair intends to vote undirected proxies AGAINST this resolution.

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 25 November 2024 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 Wednesday 27th November 2024. This Explanatory Memorandum is to assist Shareholders in understanding the background 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 11 (both inclusive).

1. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Annual Report for the year ended 30 June 2024 contains a remuneration report which sets out the remuneration policy of the Company.

An electronic copy of the 2024 Annual Report is available to download or view on the Company's website at www.papyrusaustralia.com.au. The 2024 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 2023 annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were greater than 25% of total votes cast. Accordingly, the Spill Resolution is 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 favour of Resolution 1.

Resolution 1 is an ordinary resolution.

2. RESOLUTION 2: RE-ELECTION OF AL JAWHARI AS EXECUTIVE 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 Al Jawhari as an addition to the Board after the Company's last Annual General Meeting. Accordingly, Mr Jawhari 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 Jawhari follows:

Al Jawhari, B.Eng (Aeronautical/Mechanical) (Executive Chairman)

Mr Jawhari is an innovator and technology commercialisation expert with 25+ years of C-level leadership experience. With 4 successful business exits he is an internationally recognized business leader known for crafting the required strategic vision to achieve business goals offering a unique blend of leadership, innovation, executive acumen, global team building, and credited with strong ROI and operational experience.

Mr. Jawhari's experience spans through Defence, Advanced Manufacturing, Retail, Agriculture, Food & Wine, e-commerce and software platforms development with successful ventures across the globe. He is Co-founder and current Group CEO for Starke-Advanced Manufacturing Group, Vice President-Board Director and amp; South Australian Chair for Arab Chamber of Commerce and Industry, Industry Advisory Member for Australian Institute of Business Advisory Board, Centre for Enterprise Dynamics in Global Economies in the University of South Australia.

Mr Jawhari is also a member of the Company's Audit committee.

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

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

Resolution 2 is an ordinary resolution.

3. RESOLUTION 3: RE-ELECTION OF BRAD LEMMON AS NON-EXECUTIVE 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 Brad Lemmon as an addition to the Board after the Company's last Annual General Meeting. Accordingly, Mr Lemmon 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 Lemmon follows:

Brad Lemmon B. Commerce, Stanford Executive program (Non-Executive Director)

Mr. Lemmon brings over 30 years of experience and a range of skills from the construction materials, mining services, waste recovery and recycling industries, spanning operations and logistics, commercialization, capability integration across business pillars and progressing strategy to execution. With a strong governance focus, Mr Lemmon has led a 500 strong multi-disciplined workforce through a major transformation via a strategic capital investment program to deliver an efficient, sustainable and profitable footprint across a national network.

With key strengths in attracting strategic capital investment to activate growth opportunities and building high performing teams, Mr Lemmon is a highly effective business leader with international trade experience.

The Directors (other than Mr Lemmon) recommend that Shareholders vote in favour of Resolution 3 as they intend to do.

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

Resolution 3 is an ordinary resolution.

4. RESOLUTION 4: RE-ELECTION OF DAVID ATTIAS AS NON-EXECUTIVE DIRECTOR

In accordance with Listing Rule 14.5 and rule 8.1(e)(2) of the Constitution, at every annual general meeting one third of the Directors for the time being (excluding those who retire under rule 8.1(e)(1) of the Constitution and the Managing Director) must retire from office and, in accordance with rule 8.1(h) of the Constitution, are eligible for re-election. Accordingly, Mr David Attias retires as a Director of the Company 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 4 as they intend to do.

Resolution 4 is an ordinary resolution.

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

5. APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

5.1 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 7 October 2024 was approximately A\$5,419,618 (based on the Company's issued share capital of 492,692,593 Shares and the closing price of A\$0.011 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 5 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 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour 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.

5.2 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) 492,692,593 Shares quoted on ASX; and
- (ii) 76,610,713 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 before the date of issue or agreement:
- plus, the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2.
 - plus, the number of partly paid shares that became fully paid in the 12 months.
 - plus, the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4.
 - less the number of fully paid shares cancelled in the 12 months.
- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 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 492,692,593 Shares and therefore has a capacity to issue:

- (i) 73,903,889 Equity Securities under Listing Rule 7.1; and
- (ii) 49,269,259 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 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Facility as consideration for the acquisition of a new asset, in which case the company must release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

(6) 10% Placement Period

Shareholder approval of the Additional 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 time and date of the company's next general meeting; or
- (iii) 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**).

5.3 Listing Rule 7.1A

The effect of Resolution 5 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 5 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.

5.4 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 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 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) 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		
		\$0.0055 50% decrease in Issue Price	\$0.011 Issue Price	\$0.022 100% increase in Issue Price
Current variable "A" 492,692,593 Ordinary Shares	10% Voting Dilution	49,269,259 Ordinary Shares	49,269,259 Ordinary Shares	49,269,259 Ordinary Shares
	Funds Raised	\$270,981	\$541,962	\$1,083,924
50% increase in current variable "A" 739,038,889 Ordinary Shares	10% Voting Dilution	73,903,888 Ordinary Shares	73,903,888 Ordinary Shares	73,903,888 Ordinary Shares
	Funds Raised	\$406,471	\$812,943	\$1,625,886
100% increase in current variable "A" 985,385,186 Ordinary Shares	10% Voting Dilution	98,538,518 Ordinary Shares	98,538,518 Ordinary Shares	98,538,518 Ordinary Shares
	Funds Raised	\$541,962	\$1,083,924	\$2,167,847

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) No resolutions to be considered at the Meeting will have an impact.
 - (iii) None of the unlisted options that the Company currently has on issue are exercised before the date of the issue of the Equity Securities.
 - (iv) 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%.
 - (v) 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.
 - (vi) 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 \$0.011, being the closing price of Shares on ASX on 7 October 2024.
- (c) The Company will only issue and allot Equity Securities during the 10% Placement Period. The approval under Resolution 5 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) the Company intends to use the funds raised towards 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.

If Resolution 5 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) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2023 annual general meeting. In the 12 months preceding the date of this Meeting, the Company issued a total number of 125,000 Equity Securities, representing 0.025% of the total number of Equity Securities on issue at the commencement of that 12-month period. The details of all issues of Equity Securities in the 12 months preceding the date of this Meeting are set out in Schedule 1 to this Explanatory Memorandum.
- (h) 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.
- (i) In the event that resolution 5 is not passed, the Company will not be able to utilise additional placement capacity under Listing Rule 7.1A.

The Directors recommend that Shareholders vote in favour of Resolution 5 as they intend to do.

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

6. RESOLUTION 6: APPROVAL FOR THE ISSUE OF 5,000,000 UNLISTED OPTIONS 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 6 for the purposes of Listing Rule 7.4 for the issue of 5,000,000 Unlisted Options to the following Sophisticated Investors: -

Investor	Unlisted Options Issued
Perfection Australia Group Pty Ltd	2,500,000
BPE Investments Pty Ltd	2,500,500
Total	5,000,000

If Resolution 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 5 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

UNLISTED OPTIONS

- (a) The Total number of 5,000,000 Options were issued pursuant to Resolution 5.
- (b) The Options were issued for Nil consideration as commission for assisting with capital raising and have a deemed value of \$60,000.
- (c) 5,000,000 Options were issued on 19 July 2024 to sophisticated investors as detailed in the preceding paragraphs as part of the capital raise (ASX announcement 19 July 2024).
- (c) The Options were issued on the terms and conditions set out in Schedule 2 to these Explanatory Notes.
- (d) The purpose of the issue was as commission for assisting with capital raising. No fund were raised from this issue.
- (e) A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 6 as they intend to do.

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

7. RESOLUTION 7: SUBSEQUENT APPROVAL OF THE ISSUE OF 27,777,777 UNLISTED OPTIONS 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 27,777,777 Unlisted Options to the following Sophisticated Investors: -

Investor	Unlisted options issued
Tomislav Rajkovic	2,100,000
Philka Pty Ltd (AFT Farrugia SMSF)	2,777,778
Dawngrange Pty Ltd	222,222
Arlewis Pty Ltd (Lewis Family Super Fund A/c) *	650,000
Mr Anthony Richard Lewis (Est Eberhard Schicha A/c)	1,100,000
Salas Trust Woollett	222,222
Philka Pty Ltd (AFT Farrugia SMSF)	2,777,778
Arlewis Pty Ltd (Lewis Family Super Fund A/c) *	400,000
Anthony Richard Lewis *	266,667
Hong Cao	1,666,666
Perfection Australia Group P/L	15,594,444
Total	27,777,777

* Names in the table highlighted with an asterisk are related parties of each other.

If Resolution 7 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 7 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

UNLISTED OPTIONS

- (a) The Total number of 27,777,777 Options were issued pursuant to Resolution 7.
- (b) The Options were issued for Nil consideration, as part of the capital raising of \$250,000.
- (c) 27,777,777 Options were issued on 19 July 2024 to sophisticated investors as detailed in the preceding paragraphs as part of the capital raise (ASX announcement 19 July 2024).
- (d) The Options have an expiry date of 4 months from issue date, are exercisable at \$0.009 per converted Option and the Company has the right to exercise the Options at any time prior to expiry date, interest is payable following the conversion of the Options or the loan funds raised are repaid (ASX announcement 12 August 2024).
- (e) The agreement also included the appointment of two (2) additional Directors to the board and the resignation of existing Directors Mr. Byrt & Mr. Rigano. The agreement also included the issue of 25,000,000 unlisted Options that are exercisable at \$0.03 per option converted with an expiry date of 2 years from issue date (refer to Resolution 11). There are no other material terms.

- (f) The Options were issued on the terms and conditions set out in Schedule 3 to these Explanatory Notes.
- (g) The funds raised from the issue was \$250,000 for working capital requirements.
- (h) A voting exclusion statement is included in the Notice of Meeting.

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

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

8. RESOLUTION 8: SUBSEQUENT APPROVAL OF THE ISSUE OF 8,797,222 UNLISTED OPTIONS 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 8,797,222 Unlisted Options to the following Sophisticated Investors: -

Investor	Number of options
Philka Pty Ltd (AFT Farrugia)	2,222,222
BPI Consulting P/L	2,933,333
SP & SL Loss	863,889
MR BRENDAN CLAUDE DAW + MRS EMILY-JANE DAW as trustees for BED Super Fund	2,777,778
Total	8,797,222

If Resolution 8 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 8 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

UNLISTED OPTIONS

- (a) The Total number of 8,797,222 Options were issued pursuant to Resolution 8.
- (b) The Options were issued for Nil consideration as part of the capital raising of \$79,000.

- (c) 8,797,222 Options were issued on 12 August 2024 to sophisticated investors as part of the capital raise as detailed in the preceding paragraphs, (ASX announcement 12 August 2024).
- (d) The Options have an expiry date of 4 months from issue date, are exercisable at \$0.009 per converted Option and the Company has the right to exercise the Options at any time prior to expiry date, interest is payable following the conversion of the Options or the loan funds raised are repaid (ASX announcement 12 August 2024).
- (e) The agreement also included the appointment of two (2) additional Directors to the board and the resignation of existing Directors Mr. Byrt & Mr. Rigano.
- (f) The agreement also included the issue of 25,000,000 unlisted Options that are exercisable at \$0.03 per option converted with an expiry date of 2 years from issue date (refer to Resolution 11). There are no other material terms.
- (g) The Options were issued on the terms and conditions set out in Schedule 4 to these Explanatory Notes.
- (h) The funds raised from the issue was \$79,000 for working capital requirements
- (i) A voting exclusion statement is included in the Notice of Meeting.

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

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

9. RESOLUTION 9: APPROVAL FOR THE ISSUE OF 8,000,000 UNLISTED OPTIONS TO DANIEL SCHMIDT UNDER EMPLOYMENT CONTRACT

The Company seeks Shareholder approval for Resolutions 9 for the purposes of Listing Rule 10.11 for the issue of the 8,000,000 Unlisted Options to Mr. Daniel Schmidt, who is the Chief Operating Officer of the company and by virtue of his position, is deemed to be a related party of the entity under Listing Rule 10.1.1

Listing Rule 10.13 requires that the following information be provided to Shareholders in respect of Resolution 10 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11

UNLISTED OPTIONS

- (a) The Total number of 8,000,000 Options to be issued pursuant to Resolution 9.
- (b) The purpose of the issue is part of the remuneration arrangements. There are no performance condition attached to the issue of options.
- (c) The name of the person to be granted the options is Mr. Daniel Schmidt, who is Chief Operating Officer of the company
- (d) The Options will be issued for Nil consideration.
- (e) The maximum number of Options to be granted as set out in the resolution is as follows:
 - Tranche 1 – 4,000,000 Options vesting in 12 months from approval date
 - Tranche 2 – 4,000,000 options vesting 24 months from approval date

- (f) The date by which the entity will issue the options will be 28 November 2024 but, in any event, not later than 28 December 2024 which is not more than one month after the date of the meeting.
- (g) The Options will be issued on the terms and conditions set out in Schedule 5 to these Explanatory notes.
- (h) There are no other material terms of the of the remuneration arrangements.
- (i) A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 9 as they intend to do.

The chair intends to vote undirected proxies in favour of Resolution 9.

10. RESOLUTION 10: APPROVAL FOR THE ISSUE OF 25,000,000 SHARES 25,000,000 UNLISTED OPTIONS TO AL JAWHARI

The Company seeks Shareholder approval for Resolutions 10 for the purposes of Listing Rule 10.11 for the issue of the 25,000,000 shares and 25,000,000 Options to Mr. Al Jawhari - Executive Director and Executive Chairman as remuneration.

Listing Rule 10.13 requires that the following information be provided to Shareholders in respect of Resolution 10 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11

SHARES

- (a) The name of the person to be granted the Shares is Mr. Al Jawhari, who is Executive Director and Executive Chairman of the company.
- (b) The maximum number of Shares to be granted to Mr. Jawhari as set out in the resolution is as follows:
 - **Tranche 1** – 12,500,000 fully paid shares
 - **Tranche 2** – 12,500,000 fully paid shares vesting 12 months from issue date provided that (a) the consolidation decision is finalised and, (b) provided Mr. Jawhari is still a Director of the company.
- (c) The date by which the entity will issue the Shares will be 28 November 2024 but, in any event, not later than 28 December 2024 which is not more than one month after the date of the meeting.
- (d) The Shares are being issued as part of the fulltime salary arrangements for Mr. Jawhari, as there have been substantial issues in relation to the consolidation, and in particular the due diligence necessary to ensure that the board followed due process to ensure that it mitigated any potential risk that could arise out of Egypt following the completion of the consolidation, and developing the future direction for the company. The terms of grant of the Shares are as set out in in Schedule 6 to these Explanatory Notes.
- (e) The total remuneration package of Mr. Jawhari consists only of the Shares and Options as outlined in Resolution 10, based on the average trading price of Shares at the date of this notice of meeting, the total package is valued at \$225,000.
- (f) There are no other material terms of the employment engagement.
- (g) A voting exclusion statement is included in the Notice of Meeting.

- (h) No cash funds will be raised by the grant of the Shares.

UNLISTED OPTIONS

- (a) The name of the person to be granted the Options is Mr. Al Jawhari, who is Executive Director and Executive Chairman of the company.
- (b) The maximum number of Options to be granted to Mr. Jawhari as set out in the resolution is 25,000,000 unlisted options issued exercisable at 1 cent with an expiry period on 12 months from issue date
- (c) The date by which the entity will issue the Options will be 28 November 2024 but, in any event, not later than 28 December 2024 which is not more than one month after the date of the meeting.
- (d) The Options are being issued for nil consideration as there have been substantial issues in relation to the consolidation and in particular the due diligence necessary to ensure that the board followed due process to ensure that it mitigated any potential risk that could arise out of Egypt following the completion of the consolidation and developing the future direction for the company requiring Mr Jawhari to be involved on a fulltime basis. There are no other performance condition attached to the issue of options. The terms of grant of the Options are as set out in in Schedule 6 to these Explanatory Notes.
- (e) There are no other material terms of the employment engagement.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised by the grant of the Options.
- (h) Funds raised on conversion of Options will be used for working capital.

Chapter 2E Corporations Act requirements

Resolution 10 also requires approval for the purposes of Chapter 2E of the Corporations Act and for the purposes of Chapter 10 of the Listing Rules. The notice of meeting attached hereto contains the voting exclusion statements required by the Listing Rules.

The resolution provides that subject to being passed; the Shares & Options proposed to be granted pursuant to Resolution 10 will be granted not later than one (1) month after the passing of the resolution.

Mr. Jawhari will abstain from voting on any Director's resolution required to grant the Options.

Each of the Directors of the Company other than Mr. Jawhari, who abstains from making any recommendation because he is interested in the outcome, considers that the terms of grant of the share & Options are fair and reasonable and it is recorded that the grant of the Shares & Options was agreed to as part of the arrangement which Mr. Jawhari and the Company entered into pursuant to which the Company engaged his services as executive Director and subsequent to his appointment as executive chairman of the Company.

The Directors (other than Mr. Jawhari) who does no express any opinion, say that the grant of the shares & Options falls within the exemption in section 210 of the Corporations Act in that the Company and Mr. Jawhari were, in fact, dealing at arms' length in negotiating those terms of engagement with Mr. Jawhari becoming Executive

Chairman of the Company. They also consider that the terms and conditions of grant are, in any event reasonable.

Notwithstanding the above, the following information is provided: in accordance with the requirements of Section 219 of the Corporations Act, as if that section of the Corporations Act applied:

- (a) The related party who would benefit from the resolution is Mr. Jawhari.
- (b) The nature of the financial benefit is that Mr. Jawhari, in addition to the value of the shares which based on the last 5 days trading would equate to \$225,000 and which would be assessable for income tax purposes, will be entitled to any benefit which may be derived in the event that, within the period when the Options may be exercised, the market price of Shares in the exceeds the exercise price of the Options. This may occur if the Company's business plans are able to be fully implemented, which is something Mr. Jawhari will be striving to achieve.
- (c) The converse of (b) is that if the Company's business plan is not able to be implemented, then the Options to be granted to Mr. Jawhari may be worthless as the Share price may not exceed the exercise price of the Options.
- (d) A Black Scholes valuation of the Options based on the current share price, the time to exercise, the exercise price and an interest rate of 4% and a volatility for the Company's shares of 30% gives a value of \$0.001 per Option.
- (e) The only Director to have an interest in the outcome of the proposed resolution is Mr. Jawhari and his benefit is that he will become the holder of the shares and Options and the recipient of any financial benefit attached thereto or flowing therefrom.
- (f) Within the knowledge of the Directors, there is no other information reasonably required by members in order to decide whether or not it is in the interest of the members to pass the proposed resolution. Clearly, the effect of passing the resolution and issuing the Shares & Options to Mr. Jawhari will have a dilutive effect on their holdings and reduce the respective voting power of each of them proportionately.
- (g) It is relevant to any determination by any member as to how to vote in relation to this resolution that the Company has appointed Mr. Jawhari as an Executive Director and subsequently Executive Chairman because of his business skills, commercial aceman and knowledge of the Egyptian Commercial environment and the Board considers that he is a valuable addition to the Board.

Each of the Directors other than Mr Jawhari (who abstains) recommends to Shareholders that they vote in favour of resolution 10 for the reasons stated above.

The chair intends to vote undirected proxies in favor of Resolution 10.

11. RESOLUTION 11: APPROVAL FOR THE ISSUE OF 25,000,000 UNLISTED OPTIONS UNDER PYPYRUS SERVICES AND LOAN AGREEMENT

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 Papyrus services and loan agreement with Sydney-based BPE Investments Pty Ltd ('BPE' - proprietor Ben Elias) and Perfection Australia Group Pty Ltd ('PAG' – proprietor Siew Hong Koh).

The key terms of the arrangement are for BPE. and PAG to:

- Assist the Company with future capital raising
- Increase value for shareholders
- The arrangement does not have a defined time period and arrangement continues until such time as the Company exercises its right to terminate at any time by giving 30 days' notice of termination in writing.
- There are no other material terms in the agreement.

The Company seeks Shareholder approval for Resolution 11 for the purposes of Listing Rule 7.4 for the issue of the 25,000,000 unlisted options.

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) The names of the persons to be granted the Options are BPE Investments ty Ltd and Union Pacific Equities Pty Ltd.
- (b) If approved the Options will be issued for Nil consideration. The value of the Options is \$225,000
- (c) If approved, 12,500,000 Options will be issued to BPE, and 12,500,000 Options will be issued to UPE on the 28 November 2024 but, in any event, not later than 28 December 2024 which is not more than one month after the date of the meeting.
- (d) The Options will be issued on the terms and conditions set out in Schedule 7 to these Explanatory Notes.
- (e) Funds raised from the exercise of the Options will be used for working capital.
- (f) A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 11 as they intend to do.

The chair intends to vote undirected proxies in favour of Resolution 11.

12. RESOLUTION 12: APPROVAL FOR THE ISSUE OF 6,000,000 UNLISTED OPTIONS TO BRAD LEMMON

The Company seeks Shareholder approval for Resolutions 12 for the purposes of Listing Rule 10.11 for the issue of 6,000,000 Options to Mr Brad Lemmon, non-executive Director as remuneration following his appointment to the board.

Listing Rule 10.13 requires that the following information be provided to Shareholders in respect of Resolution 12 for the purpose of obtaining Shareholder approval pursuant to Listing Rule 10.11

UNLISTED OPTIONS

- (a) The name of the person to be granted the Options is Mr Brad Lemmon, who is Non-Executive Director of the company.
- (b) The maximum number of Options to be granted to Mr Lemmon as set out in the resolution is 6,000,000 unlisted options consisting of 2 tranches which will vest in 12 months provided Mr Lemmon is still a Director of the company:
 - Tranche 1 – 2,000,000 unlisted options exercisable at 1 cent per converted option with an expiry period of 12 months from issue date.
 - Tranche 2 – 4,000,000 unlisted options exercisable at 2 cent per converted option with an expiry period of 24 months from issue date.
- (c) The date by which the entity will issue the Options will be 28 November 2024 but, in any event, not later than 28 December 2024, which is not more than one month after the date of the meeting.
- (c) The Options are being issued for nil consideration and are part of the arrangements relating to the appointment of Mr Lemmon to the board. The terms of grant of the Options are as set out in in Schedule 8 to these Explanatory Notes.
- (d) There are no other material terms in the engagement of the Director.
- (e) A voting exclusion statement is included in the Notice of Meeting
- (f) No funds will be raised by the grant of the Options.

Chapter 2E Corporations Act requirements

Resolution 12 also requires approval for the purposes of Chapter 2E of the Corporations Act and for the purposes of Chapter 10 of the Listing Rules. The notice of meeting attached hereto contains the voting exclusion statements required by the Listing Rules.

The resolution provides that subject to being passed; Options proposed to be granted pursuant to Resolution 12 will be granted not later than one (1) month after the passing of the resolution.

Mr. Lemmon will abstain from voting on any Director's resolution required to grant the Options.

Each of the Directors of the Company other than Mr Lemmon, who abstains from making any recommendation because he is interested in the outcome, considers that the terms of grant of the Options are fair and reasonable and it is recorded that the grant of the Options was agreed to as part of the arrangement which Mr Lemmon and the Company entered into pursuant to which the Company engaged his services as Non-Executive Director.

The Directors (other than Mr. Lemmon) who does not express any opinion, say that the grant of the Options falls within the exemption in section 210 of the Corporations Act in that the Company and Mr. Lemmon were, in fact, dealing at arms' length in negotiating those terms of engagement with Mr. Lemmon becoming Non- Executive Director of the Company. They also consider that the terms and conditions of the grant are, in any event reasonable.

Notwithstanding the above, the following information is provided: in accordance with the requirements of Section 219 of the Corporations Act, as if that section of the Corporations Act applied:

- (a) The related party who would benefit from the resolution is Mr. Lemmon.
- (b) The nature of the financial benefit is that Mr. Lemmon will be entitled to any benefit which may be derived in the event that, within the period when the Options may be exercised, the market price of Shares exceeds the exercise price of the Options. This may occur if the Company's business plans are able to be fully implemented.
- (c) The converse of (b) is that if the Company's business plan is not able to be implemented, then the Options to be granted to Mr. Lemmon may be worthless as the Share price may not exceed the exercise price of the Options.
- (d) A Black Scholes valuation of the Options based on the current share price, the time to exercise, the exercise price and an interest rate of 4% and a volatility for the Company's shares of 30% gives a value of \$0.001 per Option.
- (e) The only Director to have an interest in the outcome of the proposed resolution is Mr. Lemmon and his benefit is that he will become the holder of the Options, and the recipient of any financial benefit attached thereto or flowing therefrom.
- (f) Within the knowledge of the Directors, there is no other information reasonably required by members in order to decide whether or not it is in the interest of the members to pass the proposed resolution.
- (h) Within the knowledge of the Directors, there is no other information reasonably required by members in order to decide whether or not it is in the interest of the members to pass the proposed resolution. Clearly, the effect of passing the resolution and issuing the Options to Mr. Lemmon will, in the event that the Options are exercised, have a dilutive effect on their holdings and reduce the respective voting power of each of them proportionately.
- (i) It is relevant to any determination by any member as to how to vote in relation to this resolution that the Company has appointed Mr. Lemmon as a Non-Executive Director because of his extensive knowledge, from strategy to execution, across a variety of business disciplines and his strengths include: commercial, operations & logistics, strategy & international trade, and the Board considers that he is a valuable addition to the Board.

Each of the Directors other than Mr Lemmon (who abstains) recommends to Shareholders that they vote in favour of resolution 12 for the reasons stated above.

The chair intends to vote undirected proxies in favor of Resolution 12.

13. RESOLUTION 13: CONDITIONAL SPILL RESOLUTION

This resolution will be considered as an ordinary resolution, which means that, to be passed, the resolution requires the approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the resolution.

If the resolution is passed, the Company will be required to hold another meeting of shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

The Directors who were Directors when the resolution to make the Directors Report for 2024 was passed, are namely, Al Jawhari, David Attias, Brad Lemmon and Vincent Peter Rigano. Accordingly, these Directors will be the Vacating Directors. The Vacating Directors may submit themselves for re-election at the Spill Meeting.

Shareholders should be aware that the convening of a Spill Meeting will result in the Company incurring additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and diversion of resources.

Shareholders should not that there are no voting exclusions applicable to resolutions appointing Directors at any subsequent meeting of shareholders. This would mean there is no barrier to existing major shareholders of the company, if they choose to do so, to exercise their voting rights to reappoint Vacating Directors of the Company without any changes to the composition of the Board.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as Directors of the Company at the Spill Meeting.

In the boards view it would be inappropriate to remove all non-executive Directors in the circumstances. However, the Board recognizes the Shareholders can remove a Director by a majority Shareholder vote at any time for any reason.

As a public company is required to have a minimum of 3 Directors, The Corporations Act includes a mechanism to ensure that the Company will have at least 3 Directors (including the managing Director, if any) after the Spill Meeting. If at the Spill Meeting, there are not 3 Directors on the Board, the persons taken to be appointed are those with the highest percentage of votes favoring their appointment cast at the Spill Meeting on the Resolution for their appointment (even if less than half of the votes cast on the Resolution were in favour of their appointment).

Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the voting restrictions set out in Resolution 1 apply in the same manner to this Resolution 13.

Board Recommendation

The Directors recommend shareholders vote AGAINST Resolution 13
The Chair intends to vote undirected proxies AGAINST Resolution 13

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

The table below sets out the details of all the issues of Equity Securities by the Company in the 12 months preceding this Meeting, as required by Listing Rule 7.3A.6(b).

Number	Class and terms of that Class	Allottees (or basis for determining allottees)	Issue price (market Price)	the discount this represented to market price (if any)	Use of Funds and amount that has been spent or intended use in the future	Non-cash Consideration
0	Ordinary Fully Paid Shares	Nil	\$0	0%	N/a	Nil

SCHEDULE 2 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 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 \$0.03.
3. Each option 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 2 years 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 an official quotation of the options.
6. The Company will make an application for an 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.

SCHEDULE 3 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 7

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 \$0.009.
3. Each option 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 4 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 an official quotation of the options.
6. The Company will make an 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.

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 4 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 8

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 \$0.009.
3. Each option 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 4 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 an official quotation of the options.
6. The Company will make an 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.

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 5 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 9

TERMS AND CONDITIONS OF OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. **Tranche 1** consists of 4,000,000 options with an exercise price of 2 cents per converted option, **Tranche 2** consists of 4,000,000 options with an exercise price of 4 cents per option converted and vest 12 months after issue provided Mr. Schmidt is still employed with the company.
3. **Tranche 1** option 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 2 years after the date of issue, **Tranche 2** option is exercisable in whole or in part at any time during the period commencing on the date of vesting and expiring on the date that is 4 years 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 an official quotation of the options.
6. The Company will make an 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.

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 6 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 10

TERMS AND CONDITIONS OF SHARES

1. 25,000,000 Shares are to be issued in 2 Tranches
 - Tranche 1 - 12,500,000 Shares
 - Tranche 2 - 12,500,000 Shares vesting in 12 months from issue date provided that the consolidation decision is finalized and Mr. Jawhari is still a Director of the company at vesting date.
2. Each of the Shares is issued at a strike price of \$0.009
3. No cash funds will be raised from the issue.
4. The Company will apply to ASX for an official quotation of the Shares which will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted will qualify for dividends declared after the date of their allotment.

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 \$0.01
3. Each option 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 1 year 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 an official quotation of the options.
6. The Company will make an application for an 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.

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 7 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 11

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 \$0.03.
3. Each option 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 18 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 an official quotation of the options.
6. The Company will make an application for an 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.

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 8 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 12

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 as follows, **Tranche 1** – Options at 1 cent per Option converted and **Tranche 2** – Options at 2 cents per Option converted.
- 3 Each option is exercisable in whole or in part at any time during the period commencing on the date of issue and in the case of:
 - **Tranche 1** Options expiring on the date that is 12 months after the date of issue.
 - **Tranche 2** Options expiring on the date that is 24 months after the issue date (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
 - Tranche 1 & 2 have will vest in 12 months from issue date provided Mr. Lemmon is still a Director of the company on vesting date.
- 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 an official quotation of the options.
- 6 The Company will make an application for an 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.

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 Limited
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 Monday, 25 November 2024.**

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: 184349

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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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 Pty Ltd, Level 7, BDO Centre, 420 King William Street, Adelaide SA 5000 on Wednesday, 27 November 2024 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 Resolutions 1, 9, 10, 12 and 13 except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 9, 10, 12 and 13 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 13 where the Chairman of the Meeting intends to vote against.

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 Resolutions 1, 9, 10, 12 and 13 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		For	Against	Abstain	
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	Subsequent Approval of the Issue of 8,797,222 Unlisted Options to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Al Jawhari as Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Approval of the Issue of 8,000,000 Unlisted Options to Daniel Schmidt Under Employment Contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Brad Lemmon as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of the Issue of 25,000,000 Shares and 25,000,000 Unlisted Options to Al Jawhari	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-election of David Attias as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Approval of the Issue of 25,000,000 Unlisted Options Under Share Purchase and Loan Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval of the Issue of 6,000,000 Unlisted Options to Brad Lemmon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Subsequent Approval for the Issue of 5,000,000 Unlisted Options to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Conditional Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Subsequent Approval of the Issue of 27,777,777 Unlisted Options 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 with the exception of Resolution 13 where the Chairman of the Meeting intends to vote against. 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	Securityholder 2	Securityholder 3	
<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details (Optional)

Mobile Number	Email Address
<input type="text"/>	<input type="text"/>

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

