



ASX ANNOUNCEMENT

30 July 2021

Monthly Activity Report for June 2021

Papyrus Australia Ltd (ASX:PPY) advises that the Company has moved from quarterly activity reports to monthly activity reports in order to keep the market more informed regarding its activities. This monthly report pertains to the month ended 30 June 2021 and the Monthly Appendix 4C cash flow report released to the market on 30 July 2021.

The focus of the Company in the past month has been:

- to support the Papyrus Egypt Company (PPYEg) activities in Egypt, which provide improving positive results, and
- to continue activities for new opportunities to exploit its technology.

This report and future monthly reports will focus on two topics, namely:

- Corporate Activities of Papyrus Australia Ltd in Australia, and
- Operational Activities of Papyrus Egypt Company (LLC) for the manufacture of banana fiber products in Sohag, Egypt.

Papyrus Australia Ltd

Corporate Activities

1. As reported in the April 2021 monthly report, The Company is finalizing documentation necessary for the registration of the shares purchased from targeted shareholders in Egyptian Banana Fibre Company (EBFC). A confirmatory announcement will be made to the market as soon as this complex legal process is concluded.
2. The establishment of a joint venture company (JV) under Chinese Law (ASX announcement 28 April 2021), continues to be a work-in-progress.
3. During the reporting month, a payment of \$20,833 was made to a related party in accordance with the remuneration agreement for the Managing Director.

Papyrus Australia Limited

Building 16
35-37 Stirling Street
THEBARTON SA 5031
AUSTRALIA

PO Box 566
Torrensville Plaza
MILE END SA 5031
AUSTRALIA

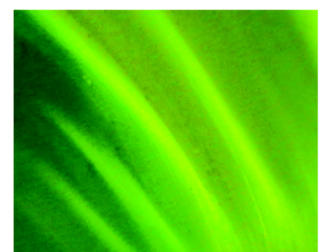
Tel: (+61) 08 7324 1232

Fax: (+61) 08 8152 0553

email@papyrusaustralia.com.au

www.papyrusaustralia.com.au

ABN: 63 110 868 409



Papyrus Egypt Company (PPYEg)

Operational Activities

- Absenteeism due to illness from Covid has had a significant impact on factory manning. Extra contract resources were engaged to maintain production and meet increases in the demand for 'Musa'.
- To reduce the packaging costs associated with purchased packaging for Musa, a new and favourable supply agreement has been put in place with a Sohag based company for a 5-year term.
- The trials to increase Musa production from the dewatering plant have demonstrated positive results, with the process capable of doubling its output to 30 tonnes per week expected.
- To realize the increased output capability for Musa, modifications have been designed, equipment sourced and it is in the process of being installed. With installation expected to be completed by the end of July, realising the expected increase in Musa production of 30 tonnes per week in August.
- The registration process for the Musa product trademarks is in progress.
- Research and Development carried out in conjunction with manufacturing activities, continue to upscale the production capacity and improving the quality of the fibre.
- In collaboration with a potential manufacturing partner, the trial manufacture of moulded product samples in a controlled experiment is in progress.

Consolidated Financial Reporting

The Expenditure reported in the June Appendix 4C cash flow report (ASX: Announcement 30 July 2021) for PPY relates primarily to:

- staff costs,
- compliance costs and related expenses,
- the provision of funding to Papyrus Egypt for the purchase and installation of new Musa production equipment,
- expenditure relating to the Papyrus Egypt operation at the Sohag factory,

Except for the payment referred to under corporative activities, during the month, there was no other payment to an associate or a related party.

As approved by the Board.

ENDS