



ASX ANNOUNCEMENT

31 August 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 31 July 2021 and the Monthly Appendix 4C cash flow report released to the market on 31 August 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. The ongoing Papyrus Egypt operations at Sohag and research and development activities have resulted in the potential development of new patentable processes.
2. During the period the Company has had discussions with its Patent Attorneys to evaluate the potential to patent these processes.
3. The Company continued to field enquires from potential users of the technology from other countries.
4. The establishment of a joint venture company (JV) under Chinese Law (ASX announcement 28 April 2021), continues to be a work-in-progress.
5. 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

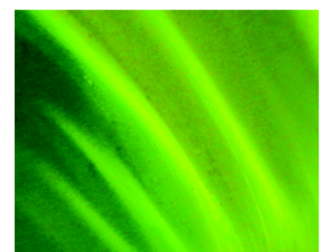
Tel: (+61) 08 7324 1232

Fax: (+61) 08 8152 0553

email@papyrusaustralia.com.au

www.papyrusaustralia.com.au

ABN: 63 110 868 409



Papyrus Egypt Company (PPYEg)

Operational Activities

- Demand for ‘Musa’ continues to be strong with demand outstripping supply.
- The additional equipment necessary to increase output of Musa has been installed.
- The operation has been scaling up in order to double the output of Musa.
- The registration process in Egypt for the Musa product trademark is in progress.
- Research and Development has been carried out in conjunction with production activities, which continues to upscale the production capacity and improving the quality of the fibre required for moulding products.
- 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 July Appendix 4C cash flow report (ASX: Announcement 31 August 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 and the employment of additional resources to cope with the growing demand for the Company’s products
- expenditure relating to the Papyrus Egypt operations at the Sohag factory

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

As approved by the Board.

ENDS