

PAPYRUS AUSTRALIA LIMITED
ACN 110 868 409

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

Wednesday 23rd November 2022

Time of Meeting

10.30 am

Place of Meeting

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

NOTICE OF ANNUAL GENERAL MEETING

PAPYRUS AUSTRALIA LIMITED ACN 110 868 409

Notice is hereby given that the Annual General Meeting of shareholders of Papyrus Australia Limited (the **Company**) will be held at the Offices of BDG Audit (SA) Pty Ltd, Level 7 BDO Centre, 420 King William Street ADELAIDE SA 5000 at 10.30 am (Adelaide time) on 23 November 2022.

Ordinary Business

To consider the Financial Statements for the financial year ended 30 June 2022 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 2022.”

Resolution 2: Re-election of Kerry Chikarovski as Executive Director

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

“That Ms Kerry Chikarovski, 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 herself for re-election, is re-elected as an Executive Director.”

Resolution 3: Re-election of Pascal Gouel as Executive Director

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

“That Mr Pascal Gouel, 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 4: 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 5: Subsequent Approval of the Issue of 4,000,000 Unlisted Options to Kerry Chikarovski as an incentive.

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 grant of 4,000,000 Options to Ms Kerry Chikarovski on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 6: Subsequent Approval of the Issue of 1,000,000 options under deed of engagement with Markson Sparks Pty Ltd

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 1,000,000 Options to Markson Sparks Pty Ltd under an independent services deed on 29 March 2022 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 250,000 Shares to Heba Nayle for services rendered

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the allotment and issue of 250,000 Shares for services rendered to Heba Nayle on 1 April 2022 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 250,000 Options to Heba Nayle for services rendered

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 250,000 options for services rendered to Heba Nayle on 1 April 2022 on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 9: Subsequent Approval of the Issue of 41,666,667 Shares to L39 Capital Pty Ltd (ABN: 94 614 364 117)

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 issue of 41,666,667 Shares to L39 Capital Pty Ltd (ABN: 94 614 364 117) in the six (6) months period ended 30 June 2022 on the terms and conditions set out in the Explanatory Memorandum that accompanies this Notice of Meeting, is approved.”

Resolution 10: Approval of Employee and Officers Share Option Plan

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 7.2 (Exception 9) and for all other purposes, the issue of securities under the employee incentive option scheme known as ‘Papyrus Australia Ltd Employees and Officers Share Option Plan’, the rules of which are set out in Schedule 3 to the Explanatory Memorandum, is approved as an exception to Listing Rule 7.1.”

Resolution 11: Appointment of BDO Audit Pty Ltd as Auditor

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

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

Dated 21 October 2022

**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 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 Kerry Chikarovski as Executive Director

The Company will disregard any votes cast in favor of Resolution 2 by any person who is related to Kerry Chikarovski and any of their respective associates.

However, the Company will not disregard a vote if:

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

the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

(3) Resolution 3 – Re-election of Pascal Gouel as Executive Director

The Company will disregard any votes cast in favor of Resolution 3 by any person who is related to Pascal Gouel and any of their respective associates.

However, the Company will not disregard a vote if:

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

(4) Resolution 4– Approval of 10% Placement Facility

The Company will disregard any votes cast in favor of Resolution 4 by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person (and any associates of such a person) who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary shares, if Resolution 4 is passed (if and to the extent that those persons are known to and identified by the Company at the time of the Meeting).

However, the Company will not disregard a vote if:

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

(5) Resolution 5 – Subsequent Approval of the Issue of 4,000,000 options to Kerry Chiukarovski as an incentive

The Company will disregard any votes cast in favor of Resolution 5 by any person who participated in the issue and any of their respective associates.

However, the Company will not disregard a vote if:

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

Further, a vote on Resolution 5 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 5 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.*

(6) Resolution 6 – Subsequent Approval of the Issue of 1,000,000 options under a deed of engagement with Markson Sparks Pty Ltd

The Company will disregard any votes cast in favor of Resolution 6 by any person who participated in the issue and any of their respective associates.

However, the Company will not disregard a vote if:

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

(7) Resolution 7 – Subsequent Approval of the Issue of 250,000 Shares to Heba Nayle for services rendered

The Company will disregard any votes cast in favor of Resolution 7 by any person who participated in the issue and any of their respective associates.

However, the Company will not disregard a vote if:

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

(8) Resolution 8 – Subsequent Approval of the Issue of 250,000 options to Heba Nayle for services rendered

The Company will disregard any votes cast in favor of Resolution 8 by any person who participated in the issue and any of their respective associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the chair decides.
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are*

met the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

(9) Resolution 9 – Subsequent Approval of the Issue of 41,666,667 Shares to L39 Capital Pty Ltd (ABN: 94 614 364 117)

The Company will disregard any votes cast in favor of Resolution 9 by any person who participated in the issue and any of their respective associates.

However, the Company will not disregard a vote if:

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

(10) Resolution 10 – Approval of Employee and Officers Share Option Plan

The Company will disregard any votes cast in favor of Resolution 10 by any person who participated in the issue and any of their respective associates.

However, the Company will not disregard a vote if:

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

As Resolution 10 may be considered to relate to the remuneration of a member of the KMP for the Company, the Company will disregard all votes cast on Resolution 9 by a member of the KMP or a Closely Related Party of a KMP, who has been appointed as a proxy unless:

- (a) the proxy is appointed by writing that specifies how the proxy is to vote on that Resolution; or
- (b) if the proxy is the Chair and the appointment of the Chair as a proxy does not specify the way the proxy is to vote on that Resolution but it expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a KMP for the Company or if the Company is party of a consolidated entity, for the entity.

(11) Resolution 11 – Appointment of BDO Audit (SA) Pty Ltd as Auditor

There are no voting restrictions with respect to Resolution 11.

3. PROXIES

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

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

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

Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001
 - OR
 - (b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- (2) online by visiting www.intermediaryonline.com for Intermediary Online subscribers only (custodians)
- (3) Shareholders can also cast their proxy votes online, including by smartphone, at www.investorvote.com.au.

so that it is received no later than 10.30 am (Adelaide time) on Monday 21st November 2022.

Important information with respect to Resolution 1

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

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

If you appoint the chair of the Meeting as your proxy

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

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

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

4. 'SNAP SHOT' TIME

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Directors have determined that all Shares that are quoted on ASX as at 10.30pm (Adelaide time) on 21 November 2022 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 23rd November 2022. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice of Meeting and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider Resolutions 1 to 10 (both inclusive).

1. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Annual Report for the year ended 30 June 2022 contains a remuneration report which sets out the remuneration policy of the Company.

An electronic copy of the 2022 Annual Report is available to download or view on the Company's website at www.papyrusaustralia.com.au. The 2022 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 2021 annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25% of total votes cast. Accordingly, the Spill Resolution is not a relevant consideration for this Meeting.

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

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

Resolution 1 is an ordinary resolution.

2. **RESOLUTION 2: RE-ELECTION OF KERRY CHIKAROVSKI 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 Ms Kerry Chikarovski as an addition to the Board after the Company's last Annual General Meeting. Accordingly, Ms Chikarovski retires pursuant to Listing Rule 14.4 and rule 8.1(e)(1) of the constitution and, being eligible, offers herself for re-election.

A resume for Ms Chikarovski follows:

Ms Chikarovski BA Economics and BA Laws (Executive Director)

Kerry established Chikarovski & Associates – government relations firm working with organisations, not for profits and industry associations, to help them understand the processes of government and work successfully with bureaucrats and politicians at local, state and federal levels of government; advising clients across a range of industry sectors on policy and regulatory issues, as well as in relation to major projects and procurement, including banking and finance, infrastructure, construction and property, transport, energy, health, sport, and manufacturing.

An experienced political and media commentator, across a variety of programs including Sky News PM Agenda, Lunch Agenda, ABCNews24, The Drum, ABC 702 and RN Drive.

She is Chairperson of NSW Women's Rugby Union; Director, Humpty Dumpty Foundation, and of Our Watch; Ambassador, for the Australian Indigenous Education Foundation; former Trustee of the Sydney Cricket & Sports Ground Trust; former NSW Leader of the Liberal Party in NSW & Leader of the Opposition. Kerry was previously a Solicitor and Lecturer in Law.

□

Resolution 2 is an ordinary resolution.

The Directors (other than Ms. Chikarovski) recommend that Shareholders vote in favor of Resolution 2 as they intend to do.

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

3. **RESOLUTION 3: RE-ELECTION OF PASCAL GOUEL 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 Pascal Gouel as an addition to the Board after the Company's last Annual General Meeting. Accordingly, Mr Gouel 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 Gouel follows:

Pascal Gouel B.Ch.E, Master of Engineering management, MBA (Executive Director)

Pascal is an accomplished professional with over 25 years global experience in operations, top tier management consulting and investment management including 10 years spent working in the Middle East in Egypt, Kuwait, KSA and UAE. Pascal has worked for firms such as Booz Allen, Qantas, British American Tobacco as well as number of Family Offices out of Kuwait and Germany.

Recently, he was an Investment Committee member of an Industry Superannuation Fund, responsible for deal origination, due diligence and execution of various global private equity deals and has held a number of operational and investment roles in his career including Chief Investment Officer, General Manager, Director level roles and a number of operational roles within various industries and sectors.□

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

Resolution 3 is an ordinary resolution.

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

4. APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

4.1 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 27 September 2022 was approximately A\$17,845,838 (based on the Company's issued share capital of 469,627,333 Shares and the closing price of A\$0.038 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 4 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 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favor of this Resolution.

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

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

4.2 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) 469,627,333 Shares quoted on ASX; and

(ii) 5,750,000 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 x 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 469,627,333 Shares and therefore has a capacity to issue:

- (i) 70,444,100 Equity Securities under Listing Rule 7.1; and
- (ii) 46,962,700 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 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**).

4.3 Listing Rule 7.1A

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

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

4.4 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 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of this Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities, which may have an effect on the amount of funds raised by the issue of the equities.

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

The table also shows:

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

- II. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0185 50% decrease in Issue Price	\$0.037 Issue Price	\$0.074 100% increase in Issue Price
Current variable "A" 469,627,333 Ordinary Shares	10% Voting Dilution	46,962,700 Ordinary Shares	46,962,700 Ordinary Shares	46,962,700 Ordinary Shares
	Funds Raised	\$868,810	\$1,737,620	\$3,475,240
50% increase in current variable "A" 704,440,099 Ordinary Shares	10% Voting Dilution	70,444,000 Ordinary Shares	70,444,000 Ordinary Shares	70,444,000 Ordinary Shares
	Funds Raised	\$1,303,214	\$2,606,428	\$5,212,856
100% increase in current variable "A" 939,254,666 Ordinary Shares	10% Voting Dilution	93,925,400 Ordinary Shares	93,925,400 Ordinary Shares	93,925,400 Ordinary Shares
	Funds Raised	\$1,737,620	\$3,475,240	\$6,950,480

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) Resolutions 7 and 9 are passed at the Meeting.
- (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 \$0.037, being the closing price of Shares on ASX on 27 September 2022.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction for the purposes of Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

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

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resource assets or investments.

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

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2021 annual general meeting. In the 12 months preceding the date of this Meeting, the Company issued a total number of 41,916,667 Equity Securities, representing 9.80% 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.

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

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

5. RESOLUTION 5: SUBSEQUENT APPROVAL OF THE ISSUE OF 4,000,000 UNLISTED OPTIONS TO CHIKAROVSKI AS AN INCENTIVE.

The Company seeks Shareholder approval for Resolutions 5 for the purposes of Listing Rule 10.11 for the issue of the 4,000,000 Options to Ms Kerry Chikarovski as an incentive.

Listing Rule 10.13 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 10.11

- (a) The name of the person to be granted the Options is Ms Kerry Chikarovski, who is a director of the company.
- (b) The maximum number of Options to be granted to Ms Chikarovski is 4,000,000 Options as set out in the resolution
- (c) The date by which the entity issued the Options 4 November 2021.
- (d) The Options are being issued free of cost as an incentive and for services to be provided as announced to the market at the time they were agreed to be granted: prior to Ms Chikarovski becoming a Director of the Company The terms of grant of the Options are as set out in Schedule 2 to these Explanatory Notes.
- (e) A voting exclusion statement is included in the Notice of Meeting
- (f) No funds will be raised by the grant of the Options.
- (g) In the event that resolution 5 is not passed, the Company will need to consider other alternatives to compensate Ms Chikarovski for services rendered.

Chapter 2E Corporations Act requirements

Resolution 5 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.

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

Each of the directors of the Company other than Ms Chikarovski, who abstains from making any recommendation because she 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 contract which Ms Chikarovski and the Company entered into pursuant to which the Company engaged her services and appointed her as a director of the Company.

The Directors (other than Ms Chikarovski) 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 Ms Chikarovski were, in fact, dealing at arms' length in negotiating those terms of engagement prior to Ms Chikarovski becoming a Director 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 Ms Chikarovski.
- (b) The nature of the financial benefit is that Ms Chikarovski 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 Ms Chikarovski 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 Ms Chikarovski may be worthless as the Share price may not exceed the exercise price of the Options. It should be noted that, at present the Options have minimal, if any, value, given that the current Share price at the time was approximately \$0.05 and that the exercise price of the Options is \$0.10.
- (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 2% and a volatility for the Company's shares of 30% gives a value of \$0.00 per Option.
- (e) The only director to have an interest in the outcome of the proposed resolution is Ms Chikarovski and her benefit is that she 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. Clearly, the effect of passing the resolution and issuing the Options to Ms Chikarovski will have a marginally dilutive effect on their holdings and reduce the respective voting power of each of them proportionately if Ms Chikarovski was to exercise the options at any time.
- (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 Ms Chikarovski as a Director because of her business skills and the Board considers that she is a valuable addition to the Board.

Each of the directors other than Ms Chikarovski (who abstains) recommends to Shareholders that they vote in favour of resolution 5 for the reasons stated above.

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

6. RESOLUTION 6: SUBSEQUENT APPROVAL OF THE ISSUE OF 1,000,000 OPTIONS UNDER DEED OF ENGAGEMENT TO MARKSON SPARKS PTY LTD

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 the 1,000,000 options on to Markson Sparks Pty Ltd under a deed of engagement on 28 March 2022.

If Resolution 6 is passed then the options will be deemed to have been issued with Shareholder approval. If Resolution 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 6 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The name of the person to be granted the Options is Markson Sparks Pty Ltd
- (b) Total number of 1,000,000 Options were issued pursuant to Resolution 6.
- (c) The date by which the entity issued the Options 29 March 2022.
- (d) The Options were granted for nil cash consideration to Markson Sparks Pty Ltd under a deed of engagement (ASX: Announcement 28 March 2022).
- (e) A voting exclusion statement is included in the Notice of Meeting.
- (f) No funds will be raised by the grant of the Options.

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

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

7. RESOLUTION 7: SUBSEQUENT APPROVAL OF THE ISSUE OF 250,000 SHARES TO HEBA NAYLE

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

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

The Company seeks Shareholder approval for Resolution 7 for the purposes of Listing Rule 7.4 for the issue of the 250,000 Shares to Heba Nayle for services rendered on 1 April 2022.

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

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 7 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The total number of Shares issued was 250,000 Shares.
- (b) The issue price was \$0.06 per Share.
- (c) The Shares are fully paid ordinary Shares that rank equally in all respects with existing Shares.
- (d) The Shares were issued as a result of exceptional services rendered. As a consequence, the Company issued and allotted the shares as a reward.
- (e) The issue of the shares equated to \$15,000, which had no cash flow impact.
- (f) A voting exclusion statement is included in the Notice of Meeting.

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

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

8. RESOLUTION 8: SUBSEQUENT APPROVAL OF THE ISSUE OF 250,000 OPTIONS TO HEBA NAYLE

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

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

The Company seeks Shareholder approval for Resolution 8 for the purposes of Listing Rule 7.4 for the issue of the 250,000 unlisted options to Heba Nayle for services rendered on 1 April 2022.

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

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 8 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The name of the person to be granted the Options is Heba Nayle.
- (b) The total number of 250,000 Options were issued on 1 April 2022 pursuant to Resolution 8.
- (c) The Options were granted for nil consideration.
- (d) The Options were granted to Heba Nayle for services rendered (ASX: Announcement 1 April 2022), the terms of grant of the Options are set out in Schedule 4 of these Explanatory Notes.
- (e) A voting exclusion statement is included in the Notice of Meeting.
- (f) No funds will be raised by the grant of the Options.

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

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

9. RESOLUTION 9: SUBSEQUENT APPROVAL OF THE ISSUE OF 41,666,667 SHARES TO L39 CAPITAL PTY LTD (ABN: 94 614 364 117)

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 9 for the purposes of Listing Rule 7.4 for the issue of the 41,666,667 Shares on various dates between January 2022 and June 2022 to L39 Capital Pty Ltd (ABN: 94 614 364 117).

If Resolution 9 is passed then the Shares will be deemed to have been issued with Shareholder approval. If Resolution 9 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 Resolutions 9 for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) The total number of Shares issued was 41,666,667.
- (b) The issue price was \$0.015 per Share.
- (c) The Shares are fully paid ordinary Shares that rank equally in all respects with existing Share.
- (d) The Shares were issued to as a result of the conversion of unlisted options that had being approved by shareholders at the 2021 AGM.
- (e) \$624,999.99 was raised by the issue of the Shares. Funds raised by the issue have and are being used to fund the Company's operating expenses and compliance costs, the table in Schedule 1 provides details of the share issued;
- (f) A voting exclusion statement is included in the Notice of Meeting.

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

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

10. RESOLUTION 10: APPROVAL OF EMPLOYEES AND OFFICERS SHARE OPTION PLAN

The Company currently has in place the Papyrus Australia Ltd Employees and Officers Share Option Plan (the **Plan**) under which employees and other eligible persons may be offered the opportunity to subscribe for Shares in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees.

The Plan is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that options are a cost effective and efficient means of incentivising employees. To enable the Company to secure employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Under the Plan, the Board may offer to eligible persons the opportunity to receive such number of Options as the Board may decide and on terms set out in the rules of the Plan, a copy of which is set out in Schedule 5 to these Explanatory Notes. Options granted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

Listing Rule 7.1 restricts the number of securities a listed entity can issue without shareholder approval. Listing Rule 7.2 contains a number of exceptions to Listing Rule 7.1. In particular, exception 9(b) provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if within three years before the day of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

As the Company last approved the issue of securities under the Plan for the purposes of Listing Rule 7.2 (Exception 9) at its 2019 annual general meeting, the purpose of Resolution 10 is to seek approval to the issue of securities under the Plan for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes.

In accordance with the requirements of Listing Rule 7.2 (Exception 9(b)), the following information is provided:

- (a) a copy of the rules of the Plan is set out in Schedule 5 to these Explanatory Notes;
- (b) No Options have been issued under the Plan since the date that the Plan was last approved by Shareholders; and
- (c) a voting exclusion statement has been included for the purposes of resolution 10 in the Notice of Meeting.

As the Directors are excluded from voting on Resolution 10, they do not wish to make a recommendation as to how Shareholders ought to vote in respect of Resolution 10.

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

11. RESOLUTION 11: APPOINTMENT OF BDO AUDIT PTY LTD AS AUDITOR

Following a restructure of BDO Audit services, BDO Audit (SA) Pty Ltd has given notice of its intention to resign as auditor of the Company (under section 329(5) of the *Corporations Act 2001*).

Subject to ASIC consenting to the resignation of BDO Audit (SA) Pty Ltd, the Company resolves to appoint BDO Audit Pty Ltd as auditor of the Company. In accordance with section 328(1) of the *Corporations Act 2001*, the Company has sought and obtained a nomination from a shareholder for BDO Audit Pty Ltd to be appointed as the Company's auditor.

There are no disagreements between the Company and the auditor and there are no reasons that give rise to an inability to complete any audit under the *Corporations Act 2001* or *National Consumer Credit Protection Regulations 2010*.

BDO Audit Pty Ltd has given its written consent to act as the Company's auditor subject to this resolution being approved. If approved, the appointment of BDO Audit Pty Ltd as the Company's auditor will take effect at the Annual General Meeting on 23 November 2022.

The directors recommend that Shareholders vote in favor of Resolution 11 as they intend to do.

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

GLOSSARY

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

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

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

ASX means ASX Limited (ACN 008 624 691).

Board means the board of Directors.

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

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

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

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

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

Director means a director of the Company.

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

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

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

Listing Rules means the listing rules of ASX.

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

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

Option means an option to acquire a Share.

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

Shareholder means a holder of Shares.

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

VWAP means volume weighted average price.

SCHEDULE 1 – SUPPLEMENTARY INFORMATION RESOLUTIONS 7 and 9

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 and 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
250,000	Ordinary Fully Paid shares	Heba Nayle	\$0.06	Services rendered	Services rendered
41,666,667	Ordinary Fully Paid shares	Cornerstone Investor	\$0.015	Working capital	Nil

* The 41,916,667 equity securities issued in the period preceding the date of the Company's AGM represented a total of 9.80% of the total number of equity securities on issue at the commencement of that period.

SCHEDULE 2 – SUPPLEMENTARY INFORMATION FOR RESOLUTION 5

TERMS AND CONDITIONS OF OPTIONS

1. Each option entitles the holder to one ordinary share in the Company.
2. Each of the options is exercisable at \$0.10.
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 12 months after the date of issue (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

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

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

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

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

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

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

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

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

SCHEDULE 3 – 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 \$0.10.
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 12 months after the date of issue (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

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

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

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

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

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

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

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

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

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 \$0.10.
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 3 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 official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

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

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

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

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

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

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

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

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 10

PAPYRUS AUSTRALIA LTD EMPLOYEES AND OFFICERS SHARE OPTION PLAN

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules, unless the contrary intention appears:

“Associated Company” means at any time anybody corporate that at that time is a related body corporate of the Company within the meaning of section 50 of the Corporations Act 2001;

“ASX” means Australian Securities Exchange Limited and includes anybody corporate which may hereafter succeed to the powers, functions and duties of Australian Securities Exchange Limited;

“Board” means the directors acting as the board of directors of the Company;

“Business Day” means a day on which the stock market of ASX is open for trading in securities;

“Certificate” means the certificate issued by the Company to a Holder in respect of an Option;

“Company” means Papyrus Australia Ltd ACN 110 868 409;

“Director” means a director of a Group Company from time to time;

“Eligible Person” means at any time a person who then is an employee or an officer (whether full-time or part-time) of a Group Company or a consultant to a Group Company;

“Exercise Price” means, in respect of an Option, the subscription price per Share, determined in accordance with clause 12, payable by a Holder on exercise of the Option;

“Expiry Date” means, in relation to an Option, the period of 5 years from and including the Issue Date of the Option;

“Group” means, collectively the Company and each of the Associated Companies;

“Group Company” means the Company or any Associated Company;

“Holder” means, in relation to an Option, the person (whether an Eligible Person or a Permitted Nominee) entered in the Company’s register of options as the holder of that Option;

“Issue Date” means, in relation to an Option, the date on which the Company grants that Option;

“Listing Rules” means the Official Listing Rules of ASX;

“Market Value” means:

- (a) the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the day on which the Board resolves to offer an Option (excluding special crossings and overnight sales); or
- (b) in circumstances where there has been no trading in the Shares during the five trading days immediately preceding the day on which the Board resolves to offer an Option, the last sale price recorded on the stock market of ASX (excluding special crossings and overnight sales);

“Option” means an Option issued under the Plan to subscribe (subject to clause 11) for a Share;

“Permanent Disablement” means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience;

“Permitted Nominee” has the meaning given to it by clause 5.4;

“Plan” means The Papyrus Australia Ltd Employees and Officers Share Option Plan established in accordance with these Rules;

“Redundancy” means, in relation to an Eligible Person, a determination by the Board that the relevant Group Company’s need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of any Group Company of his own accord);

“Retirement” means, in relation to an Eligible Person, retirement by that Eligible Person from any Group Company at age 60 or over or such earlier age as considered appropriate by the Board;

“Rules” means these rules, as amended from time to time;

“Shares” means fully paid ordinary shares in the capital of the Company.

1.2 Interpretation

In these Rules, unless the contrary intention appears:

- (a) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a gender includes all genders; and
- (d) an expression defined in, or given a meaning for the purposes of, the Corporations Act 2001 or the Listing Rules has the same meaning where used in these Rules.

2. ESTABLISHMENT AND TERMINATION OF THE PLAN

- 2.1 The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute and uncontrolled discretion.
- 2.2 The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.
- 2.3 The Board may not issue any further Options after the Plan has been terminated. However, these Rules will continue to apply to Options on issue at the date of such termination until the last of those Options lapses or is exercised.

3. NUMBER OF OPTIONS TO BE ISSUED

The Company shall not offer or issue Options to any Eligible Person in accordance with the plan if the total number of shares the subject of Options, when aggregated with:

- 3.1 the number of shares in the same class which would be issued were each outstanding offer or invitation or option to acquire unissued shares in the Company, being an offer or invitation made or option acquired pursuant to the Plan or any other employee or officer share scheme extended only to employees or officers (including directors) of Group Companies, to be accepted or exercised (as the case may be); and
- 3.2 the number of shares in the same class issued during the previous five years pursuant to the Plan or any other employee or officer share scheme extended only to employees or officers (including directors) of Group Companies, (disregarding any offer or invitation made, or option acquired or share issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or any offer or invitation which, pursuant to Chapter 6D of the Corporations Act 2001, does not need disclosure to investors), would exceed 5% of the total number of issued shares in that class of the Company as at the time of the proposed offer or issue.

4. ENTITLEMENT TO PARTICIPATE

- 4.1 The Board may from time to time determine in its absolute and uncontrolled discretion that any Eligible Person is entitled to participate in the Plan and the extent of that participation. The determination of the Board shall be binding and neither the Board nor any director of the Company shall be obliged to give any reason for a determination.
- 4.2 The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.
- 4.3 Unless otherwise determined by the Board in its absolute and uncontrolled discretion, no Eligible Person shall be entitled to participate in the Plan unless that Eligible Person has been in continuous employment with a Group Company or has provided consulting services on a continuous basis for at least 12 months prior to the Issue Date.

- 4.4 The Plan shall not form part of any contract of employment between any Group Company and any of its employees or officers or any consulting agreement between any Group Company and any consultant and shall not confer directly or indirectly on any such employee, officer or consultant any legal or equitable right whatsoever against any Group Company.

5. OFFER OF OPTIONS

- 5.1 Subject to these Rules and to the Listing Rules, the Company (acting through the Board) may offer Options to any Eligible Persons at such times and on such terms as the Board considers appropriate in its absolute and uncontrolled discretion. Each offer must state:
- (a) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Options offered. The offer may stipulate a minimum number of Options and any multiple of such minimum or any other number which may be accepted;
 - (b) the period within which the offer may be accepted; and
 - (c) any other matters which the Board may determine.
- 5.2 Upon receipt of an offer of Options, an Eligible Person may, within the period specified in the offer:
- (a) accept the whole or any lesser number of Options offered by notice in writing to the Board; or
 - (b) nominate a nominee in whose favour the Eligible Person wishes to renounce the offer by notice in writing to the Board. The Board may, in its absolute and uncontrolled discretion, resolve not to allow such renunciation of an offer in favour of a nominee without giving any reason for such decision.
- 5.3 Each Option will be issued free.
- 5.4 Upon:
- (a) receipt of the acceptance referred to in paragraph 5.2(a); or
 - (b) the Board resolving to allow a renunciation of an offer in favour of a nominee ("**Permitted Nominee**") and the Permitted Nominee accepting the whole or any lesser number of Options offered by notice in writing to the Board, then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be issued Options subject to these Rules.
- 5.5 Certificates for Options will be dispatched within 10 Business Days after their Issue Date (or within such lesser period (if any) as may be required by the Listing Rules).
- 5.6 If Options are issued to a Permitted Nominee of an Eligible Person, the Eligible Person must, without limiting any provision in these Rules, ensure that the Permitted Nominee complies with these Rules.

6. QUOTATION

- 6.1 The Company will not apply for official quotation by ASX of any Options.
- 6.2 If the Company's Shares have been granted official quotation by ASX, the Company must apply for official quotation of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment (or within such lesser period (if any) as may be required by the Listing Rules).

7. NOT TRANSFERABLE

Subject to clause 10.3, Options are not transferable.

8. EXERCISE OF OPTIONS

- 8.1 Subject to these Rules, Options may be exercised at any time during the period commencing after the Issue Date and ending on the Expiry Date.
- 8.2 Options not exercised on or before the Expiry Date will automatically lapse.
- 8.3 Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) the Exercise Price for the number of Options specified in the notice; and
 - (b) the Certificate for those Options, for cancellation by the Company.
The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).
- 8.4 Subject to clause 8.2, within 10 Business Days after the notice referred to in clause 8.3 becomes effective (or within such lesser period (if any) as may be required by the Listing Rules), the Board must:
 - (a) allot and issue the number of Shares specified in the notice to the Holder;
 - (b) cancel the Certificate for the Options being exercised; and
 - (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the notice.

9. SHARES ALLOTTED ON EXERCISE OF OPTIONS

All Shares allotted upon exercise of Options rank *pari passu* in all respects with Shares previously issued and, in particular, entitle the Holders to participate fully in:

- 9.1 dividends declared by the Company after the date of allotment; and
- 9.2 all issues of securities made or offered *pro rata* to holders of Shares.

10. CEASING TO BE AN ELIGIBLE PERSON

- 10.1 If at any time prior to the Expiry Date of any Options, an Eligible Person ceases to be an Eligible Person for any reason other than Retirement, Permanent Disability, Redundancy or death, all Options held by such Eligible Person or his Permitted Nominee (as the case may be), will, to the extent that they have not been exercised beforehand, automatically lapse on the first to occur of:
- (a) The expiry of the period of one (1) calendar months from the date of such occurrence, and
 - (b) The Expiry Date.
- 10.2 A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the date of such occurrence.
- 10.3 If at any time prior to the Expiry Date of any Options a Holder dies, the deceased Holder's legal personal representative may:
- (a) elect to be registered as the new Holder of the deceased Holder's Options;
 - (b) whether or not he becomes so registered, exercise those Options as if it were the Holder of them in accordance with these Rules; and
 - (c) if the deceased Holder had already given the Company a notice of exercise of his Options, pay the Exercise Price in respect of those Options.

11. ENTITLEMENT TO PARTICIPATE IN FUTURE ISSUES

11.1 New Issues

Holders may only participate in new issues of securities to holders of Shares if an 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 at least nine Business Days' notice (or such greater period of notice (if any) as may be required by the Listing Rules) to Holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

11.2 Bonus Issues

If there is a bonus share issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). Upon issue the Bonus Shares will rank *pari passu* in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

11.3 Pro Rata Issue

If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares, the Exercise Price of an Option will be reduced according to the following formula:

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

$$N + 1$$

A = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of Shares into which one Option is exercisable.

P = the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days immediately preceding the ex rights date or ex entitlements 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 due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

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

11.4 Reorganisation of Capital

If, prior to the expiry or lapse of any Options, there is a reorganisation of the issued capital of the Company, those Options will be reorganised to the extent necessary to comply with the Listing Rules.

11.5 Advice

In accordance with the Listing Rules, the Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to subscribe or to the Exercise Price pursuant to the provisions of clauses 11.2, 11.3 or 11.4.



Papyrus Australia Ltd
ABN 63 110 868 409

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (ACDT) on Monday, 21 November 2022.**

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:

XX

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:
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

XX

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 BDG Audit (SA) Pty Ltd, Level 7, BDO Centre, 420 King William Street, Adelaide, SA 5000 on Wednesday, 23 November 2022 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, 5 and 10 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 10 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Kerry Chikarovski as Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Pascal Gouel as Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval of additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Subsequent Approval of the Issue of 4,000,000 Unlisted Options to Kerry Chikarovski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	Subsequent Approval of the Issue of 1,000,000 options under deed of engagement with Markson Sparks Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	Subsequent Approval of the Issue of 250,000 Shares to Heba Nayle for services rendered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

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

Individual or Securityholder 1 <input type="text"/>	Securityholder 2 <input type="text"/>	Securityholder 3 <input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details (Optional)

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

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

