ASX ANNOUNCEMENT

03 August 2026

Update on TBS Supply Contract and Product Development

Papyrus Australia Limited ("Papyrus" or "the Company") (ASX: PPY) is pleased to provide shareholders with an update on the continued development towards commercialisation of its biodegradable fibre board for use by TBS Mining Solutions Pty Ltd ("TBS") in their Biodegradable Collar Keeper ("CK") product. TBS is a subsidiary of Aquirian Limited (ASX: AQN).

Trial Outcomes Informing Product Development

Recent product trials have generated valuable data that is directly informing the ongoing development of the Biodegradable CK. Papyrus and TBS are working closely together to refine a number of final attributes of the board, including compressive strength, before the final product specification is agreed and, subject to successful completion of testing and acceptance, the parties progress towards commercial production and sales. This collaborative, iterative approach reflects both companies' commitment to delivering a product that meets the rigorous performance standards required by the drill and blast industry.

Contract Variation – Revised Project Milestones

In support of this development work, Papyrus and TBS have agreed to vary ("Variation") their existing Contract for Manufacture and Supply of Products, originally dated 27 November 2025 ("Contract"). Stage 1 (contracted board production) and Stage 2 (delivery of the initial 200 product samples) under the Contract have been completed. Following testing of the initial sample batch, the parties determined that not all product performance criteria had been satisfied. Accordingly, Papyrus will manufacture, and TBS will test, a second batch of samples as part of the agreed acceptance process.

The Variation updates the Project Milestones timetable as follows:

Stage	Milestone	Revised Milestone Date
2.1	Papyrus to deliver additional product samples for Acceptance testing	31 August 2026
3	Acceptance testing of product samples – Contract unconditional upon written acceptance by TBS	30 September 2026
4	Supply commences, subject to TBS issuing purchase orders (no minimum purchase obligation applies during this period)	1 November 2026
5	Year 1 of the minimum contracted volumes commences	1 March 2027

The Variation relates only to the project timetable. All other commercial terms of the Contract remain unchanged. TSB may terminate the Contract if milestone 3 is not achieved within 90 days after the revised milestone date of 30 September 2026 (i.e. 29 December 2026).

Shared Commitment to the Project

Papyrus and TBS remain fully committed to finalising the development work on this project, to progress towards commercial launch. The Board is encouraged by the progress achieved to date and the collaborative relationship between the two companies and looks forward to updating shareholders as the program advances toward production and sales.

This announcement has been authorised for release by the Board of Papyrus Australia Limited.

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About Papyrus

Papyrus Australia Ltd (ASX: PPY) is an innovative company providing sustainable solutions using its patented and patent-pending technology to process agricultural waste (currently focused on banana plantations) into high-quality alternatives to wood, paper, and plastic products.

About TBS Mining Solutions Pty Ltd

TBS Mining Solutions Pty Ltd, a wholly owned subsidiary of Aquirian Limited (ASX: AQN), specialises in innovative equipment and systems for Mining Drill and Blast products and services, including the patented Collar Keeper® product.