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Papyrus seeking \$2.4m growth capital

VALERINA CHANGARATHIL

BANANA-WASTE products maker Papyrus Australia will raise \$2.4 million to ramp up production at its Walkamin factory in Queensland by June this year.

The money will be used for employment of labour and purchase of material handling and transport equipment at the site.

Papyrus directors have entered into an agreement with stock-brokers Taylor Collison, which "provides for the sale by directors of 7 million options with an

exercise price of \$0.25 to Taylor Collison at a premium of \$0.12."

“ We have not made a decision on exercising more options

- DONALD STEPHENS

In effect, Papyrus directors get 12c for their options from Taylor Collison, which exercises those options for

25c and provides shares at 37c each to its clients.

The directors will use the amount received from the premium (after tax) paid by Taylor Collison clients to exercise further options to raise the remaining funds.

Papyrus director Donald Stephens, who is overseeing after the capital raising, said the options would expire at the end of March.

"The expansion is an incremental process, and we have not made a decision on exercising more options," he said.

Papyrus shares closed up 1c at 46c yesterday.