GROUP LIMITED

ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Wednesday 5 JUNE 2019

PPK PROVIDES BNNT PROJECT UPDATE FROM DEAKIN UNIVERSITY

- PPK Group Ltd completed the acquisition of AIC Investment Corporation Pty Ltd (AICIC) and a 50% interest in BNNT Technology Ltd on 22 March 2019;
- AICIC owns 50% of BNNT Technology Limited, a joint venture company which holds an exclusive 20 year licence in respect of technology developed by Deakin University to manufacture Boron Nitride Nanotubes (BNNT) on a commercial basis;
- BNNT's are light weight and are considered to be stronger than high-strength steel and industrial-grade carbon fibre;
- Please find attached a BNNT Project Update from our joint venture partners at Deacon University regarding the ongoing BNNT commercialisation process;
- This update is to be read in conjunction with previous PPK ASX releases dated 13 November 2018 and 22 March 2019.

For further information contact:

Robin Levison
Executive Chairman of PPK Group Limited
on 07 3054 4500.

BNNT PROJECT UPDATE

BNNT Production Plant – Deakin University, Waurn Ponds

31st May 2019

To: Board of Directors
BNNT Technology Limited

This Project, the scaling up of Deakin University's patented BNNT manufacturing technology to enable production in bulk commercial quantities, comprises 3 stages of validation.

- **Stage 1** – the bulk creation of base material in a unique form that is ready for conversion into BNNT. Previously this was only created in small quantities in laboratory conditions;

- **Stage 2** – the safe and efficient semi-automated transfer of base material from Stage 1 to Stage 3 in a specific chemical environment. Previously this was a manual operation;

- **Stage 3** – the conversion of base material into BNNT in a continuous batch process using newly designed equipment. Previously this was a manual process in small quantities using off-shelf laboratory equipment with limited capabilities.

We are pleased to inform the Board that we have validated the process for Stage 1 and are now consistently producing base material in sufficient quantities to support bulk BNNT production. New large scale milling equipment has been purchased from USA capable of delivering a sustainable supply of base material. This equipment is due to arrive in the second week of June.

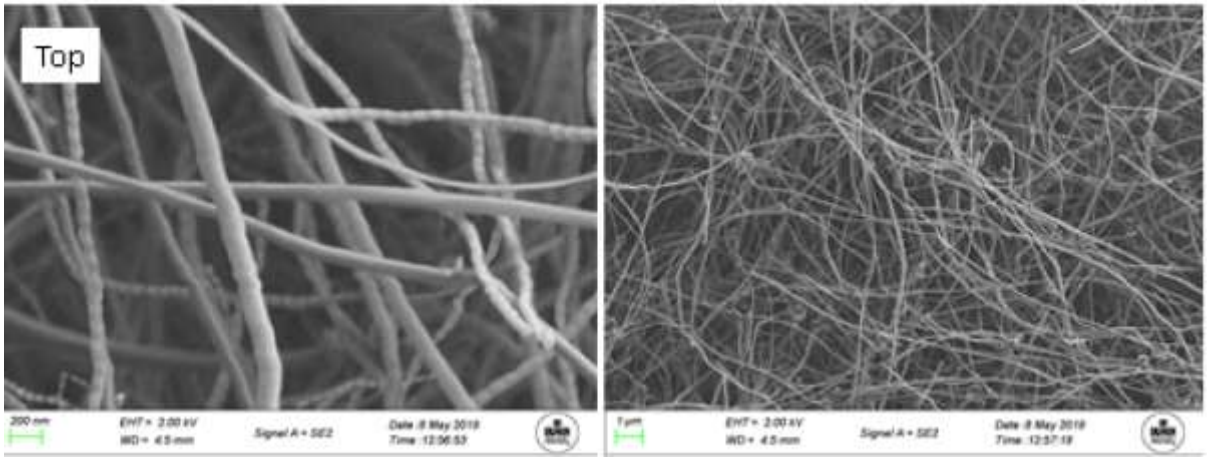
A prototype for Stage 2 has now been designed and built and the mechanisms are undergoing testing. Upon delivery of the production scale milling equipment for Phase 1, the final testing and process validation of Stage 2 will be conducted. We expect this to be successfully completed by mid-July.

A unique furnace for Stage 3 has been designed by our engineering team and a working prototype has been completed ready for installation and commissioning by the last week of June. This is the most critical phase of scaling up the BNNT manufacturing process and we are aiming to refine the

operation within 2 months. We therefore expect to provide an update to the Board regarding the validation of Phase 3 by the end of August.

We are continuing to produce BNNT in the laboratory to confirm our large scale base material from Stage 1 is suitable for the creation of high quality, high purity BNNT. (A typical microscope image of our most recent results is pictured below.)

In summary, the project is progressing well and in accordance with the program schedule and budget. We will now continue with our Stage 3 equipment testing which will complete the end to end volume production validation and confirm the final design engineering of the complete BNNT manufacturing system.



BNNT produced in laboratory by BNNT Technology Limited from Stage 1 base material – May 2019

Dr Luhua Li
Head Scientist

Gary Walsh
Project Engineer