



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Tuesday, 24 March 2020

Updated Release

COVID-19 and Market Update

Please find attached our updated release due to a drafting error.

For further information contact:

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On 07 3054 4500.

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Tuesday, 24 March 2020

COVID-19 and Market Update

- PPK Group Ltd taking steps to ensure employee and customer safety during COVID 19 virus disruption
- Deakin University/PPK Group - BNNT Joint Venture begins shipping customer orders
- Further Deakin/PPK Group Joint Ventures progressing
- PPK Mining Equipment continues to record monthly EBITDA profits and free cash-flow generation
- PPK Group has cash at bank, Nil debt, \$4m banking facility undrawn
- PPK declared dividend to be paid April 30, 2020

Like all Australian employers, PPK Group Ltd (PPK) has taken measures to ensure the health and safety of our employees and customers. In response to COVID-19, we have temporarily restricted non-essential visitor movements in and out of our office and maintenance facilities until further notice. Currently both our BNNT production facilities based at Deakin University and our mining services facilities are open and fully functional.

BNNT UPDATE.

BNNT Technology Ltd (BNNT), PPK's joint venture with Deakin University (Deakin) remains on-track and is now batch-producing small quantities of > 95% pure high quality BNNT daily, and shipping to customers to meet initial orders for research purposes.

This initial successful batch-producing production plant is creating sufficient quantities of high quality BNNT that adding additional batch-processing plants would allow to scale the BNNT volume, importantly still generating very high returns on investment for each individual batch-production plant installed.

Also, critically the JV also has sufficient space in our existing Deakin Waurn Ponds Geelong secured site to have multiple batch-machines producing high quality BNNT in a secure environment where sufficient numbers of highly trained staff are available to operate multiple plants when required.

PPK reiterates the BNNT Joint Venture remains focussed on the ultimate outcome for the Nano-technology which is the "the automated production" of high quality > 95% pure BNNT which is the Deakin/PPK JVRA.

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It is also important to remember the BNNT Joint Venture Research Agreement is already fully funded. This funding is also sufficient to both install further batch-production plants as an interim measure to increase volume when demand increases, and to continue to fund the progress towards “the automated production” of BNNT which is the Deakin/PPK JVRA ultimate goal.

Whilst BNNT JV is batch producing high quality BNNT for supply and working towards continuous production success this is only part of this incredible opportunity. PPK wants to profit not just from the sale of BNNT, but also to profit from having a direct material interest in 3rd party applications. The BNNT JV has identified two applications which we are working on intensely to further prove out the enhancements to existing products that BNNT inclusion can create.

The first of these is a fully funded Joint Venture Research Agreement for improvements to ballistic body armour and bullet resistant glass. The other area of applications research being vigorously pursued is for lithium sulphur LiS batteries.

PPKME UPDATE

Regarding PPKME, which is a supplier to “essential service providers” such as coal mines that provide feed stock to coal fired power stations providing essential energy for both the Australian and International population and accordingly is keeping its workshops and service facilities open.

Critical deliveries of essential service provider plant and equipment will be accepted as will key inventory and parts supplies allowing PPK Mining Equipment (PPKME) to continue to support its customers.

The PPKME business continues to perform well with February management accounts showing another month of EBITDA profit and free cash flow generation. PPKME also continues to develop a ‘new age’ 12 seat front facing personnel vehicle which will initially be diesel powered until the required EX electric/battery approvals are gained from the various certification Authorities.

Also, the long running Coal Tram improvement program continues with WIFI datalogger and other enhanced safety features to be completed by the end of March.

Finally, record coal exports continue from the Newcastle Coal terminal with Australian dollar weakness assisting coal mining returns.

DIVIDEND and OUTLOOK

PPK also confirms it will fund the forthcoming 1cps dividend declared on February 24th 2020 and payable on 30 April 2020 out of cash flow. PPK has cash at bank from our recent capital raising, Nil debt, and \$4m of undrawn banking facilities.

COVID 19 makes the current situation uncertain and beyond control of the company. The board and senior management and company personnel are acutely aware of the need for close management and a need to be acutely aware of the need to protect our personnel, our businesses and the broader community. As best possible in the circumstances we will maintain and advance those respective interests.

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