



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

PPK Group Limited – ASX Code: PPK

Tuesday 11 JUNE 2019

PLACEMENT RAISES \$2.75M FOR DEBT REDUCTION AND WORKING CAPITAL PURPOSES

MINING EQUIPMENT AND SERVICES OUTLOOK

PLACEMENT OF SHARES AND FUNDING FACILITIES:

The Company is raising capital to pay off its current fixed loans and strengthen its balance sheet. In addition, the Company is in the process of negotiating a new funding arrangement with a major financial institution for ongoing increased working capital purposes.

Accordingly, PPK has agreed to place 1.1 million ordinary shares at an issue price of \$2.50 per share to sophisticated investors to raise a total of \$2.75 million. These funds will be applied to debt reduction, utilised to ensure the continued growth of the Company's mining services business and also applied to other investment income generating areas. In addition this will assist the company to take advantage of any opportunities presented through its Joint Venture with Deakin University for the production of BNNT and its commercial applications.

MINING EQUIPMENT AND SERVICES OUTLOOK:

As noted in the Executive Chairman's Report released with the Company Appendix 4D on 19 February 2019, conditions in the underground coal mining sector continue to improve and PPK management expects this to continue into the next financial year with mining equipment revenues incrementally increasing monthly in comparison to previous years.

These improved conditions also bring with them the requirement to deploy more working capital into the Company's mining services business in order to address the increased capacity, and requirement for increased personnel and stock requirements.

Improved conditions in the sector have also supported the Company's recent development of a new battery powered underground Man-Transportation vehicle which it believes will have significant appeal to its underground coal mining clients as a replacement for their aging fleets of underground vehicles with a potential market size in excess of \$100 million.

PPK GROUP LIMITED

ABN: 65 003 964 181

Level 27, 10 Eagle St, Brisbane QLD 4000
GPO Box 754, Brisbane Qld 4001
Tel: +61 7 3054 4500 Fax: +61 7 3054 4599

OUTLOOK – FINANCIAL RESULTS YEAR ENDED 30 JUNE 2019:

PPK advises that it expects to achieve the lower end of its Net Profit After Tax forecast range of \$2.000M to \$3.000M for this financial year, before any sales of capital equipment or one- off expense items. The company also anticipates announcing a final dividend on the release of its financial results for the year ended 30 June 2019 in late August.

For further information contact:

Robin Levison

Executive Chairman of PPK Group Limited
on 07 3054 4500.