



ANNUAL GENERAL MEETING



27 November 2018
Robin Levison – Executive Chairman

Who is PPK?



PPK provides products and services to the underground coal mining industry including:

- the design, manufacture and servicing of the industry renowned COALTRAM[®] flame proof and explosion proof diesel Load Haul Dump (LHD) utility vehicles – the only electronically controlled flame proof Tier 3 based low emission diesel engine in the world
- the manufacture of electrical components and flame proof and explosion proof enclosures
- two manufacturing and service centres in NSW operating to world class, large scale, lean manufacturing standards meeting the most stringent global export specifications
- the manufacture and distribution of Australia's leading flameproof alternators
- the manufacture of a wide range of mining products including pneumatic and hydraulic roof bolters, rib drills, remote drilling rigs, grout mixers, pumps and water separators

PPK is now investing in new and innovative technology ventures

- A joint venture with Deakin University to commercialise BNNT manufacturing technology
- A major shareholder in an on-line entertainment platform
- A large shareholder in an on-line application for processing Australian Visa applications
- Partnering with AIC Investment Corporation for future technology ventures

The NSW Coal Industry Continues to Grow

Coal is NSW most valuable export:

- Coal production from Hunter Valley underground coal mines increase by 20% in 2017
- Port of Newcastle 2018 and 2017 coal exports similar to 2016, a record year
- Gov't Chief Economist forecasts coal to become Australia's largest export earner in 2018-19
- S&P forecast metallurgical coal production to increase from 182Mtpa to 195Mtpa by 2022
- An E&Y report has identified the supply of mining equipment and labour is tightening

Company Specific Activity

- South32 forecasting production of 6.1Mt in 2019 (2018: 4.2Mt) and increased development to achieve 8.0Mt production by 2020
- Advising a major customer planning to open one of their largest mines in early 2019
- Wollongong Coal to re-open its Russell Vale mine in 2019
- Malabar Coal has applied to open an underground mine in the Hunter Valley



Underground Coal Mining Spend

CAPITAL

At the 2017 AGM, PPK commented on the likelihood of future capital spend by our customers. Since then:

- 4 ex-rental CoalTrams have been sold
- 6 ex-rental CoalTrams are being overhauled for a pending sale
- 1 CoalTram is on long term rental

SUPPLY/SERVICE CONTRACTS

Three of our major customers are currently tendering or in negotiation to finalise long term contracts (2 to 3 years plus annual option renewals) for workshop, on-site support and parts and services. We understand that another major customer will be doing a similar process in early 2019.

These are driven by their desire to lock-in committed suppliers and develop long term relationships with a few key companies, in anticipation of increased demand in the coming years. We are confident we will retain our current contracts and expect increased revenues from these customers.

Discussions have been confidential pending outcomes being finalised



PPK Innovation

At the 2017 AGM, PPK commented on a number of initiatives:

- Manufacturing of the battery electric Man Transporter
 - New design and concept outside traditional vehicles
 - Design/engineering done in Australia, prototype frame built overseas
 - Supply issues for prototype caused build delays, completion June 2019
 - Potential export opportunities of the vehicle being explored
- Transforming Man Transporter to meet underground coal requirements
 - Scoping requirements in progress, discussions with regulators underway
 - Manufacturing will use PPK's expertise and resources
- Releasing a range of bolting drill heads to the market – **DONE**



PPK's Growth

The industry growth in NSW is reflected in PPK's increased revenues with:

- Actual revenue for the period July 2018 to October 2018 is
 - **16%** higher overall
 - **21%** higher for workshops than the same period last year
 - Only one division is behind the 2017 comparative period and actions have been taken to address this
 - Impacted with one mine closing for 5 weeks, expect to receive that work in the future
- Decision to exit rental markets and sell ex-rental CoalTrams - expect an increase in sales and servicing in future years

Outlook

The Directors confirm the outlook in the 2018 Annual Report and expect that:

- Full year Mining Sector revenue growth will be in the range of 15% to 25%
- Net profit before tax will be in the range of \$2.0M to \$3.0M
- The Board will contemplate the reinstatement of a dividend for the coming year

The above outlook does not include the impact of the proposed AICIC acquisition.

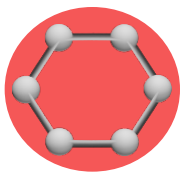


AIC Investment Corporation Pty Ltd (AICIC)



PPK will acquire 100% of the shares in AICIC in a two stage transaction:

1. Loan \$3,600,000 to AICIC
 - Loan is interest free, secured, repaid in 3 years
 - Funds to complete investment obligations in Technology Ventures and provide working capital
2. Acquire 100% of the shares in AICIC from Australian Innovation Centre P/L (AIC)
 - Shares issued to AIC at agreed value of \$6,650,000
 - Shares based on 5 day volume-weighted average price prior to issue
 - Total issued shares capped at the greater of 10,000,000 shares or 15% of the issued capital in PPK
 - PPK obligated to pay cash for any shortfall between \$6,650,000 and the value of the shares at the time they are released from escrow (March 2021)
 - Acquisition subject to shareholder approval at an EGM in February 2019

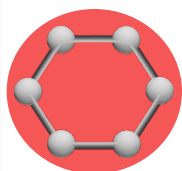


Funding of AICIC Loan

The loan is funded by a capital raise of \$3,185,000 and a further capital raise of \$350,000, both at \$0.35 per share, the latter post shareholder approval of resolution 3 (approval for extra 10% Placement Capacity) at today's AGM.

	Total Shares Issued	%
PPK's issued capital pre capital raise	61,996,498	
Capital raise for \$3,185,000	<u>9,100,000</u>	14.7
	71,096,498	
Additional capital raise for \$350,000	<u>1,000,000</u>	1.6
PPK's issued capital post capital raise	<u>72,096,498</u>	
 AIC share issuance cap @ 15%	 <u>10,814,474</u>	
PPK's issued capital post AICIC acquisition	<u>82,910,972</u>	

PPK's hypothetical market value, at AICIC acquisition valuation of \$0.615 per shares, will be about **\$51 million**.



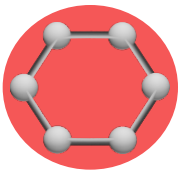
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AICIC has the following equity interest in the Technology Ventures:

1. 50% of BNNT Technology
2. 30% of VizaDox
3. 55% of Louder Entertainment

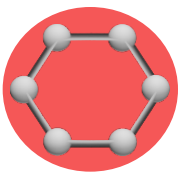
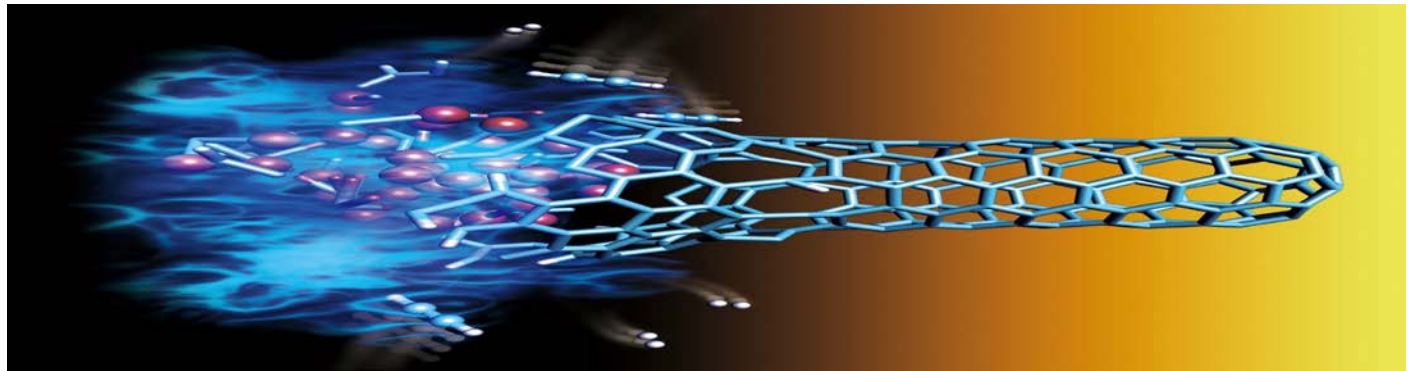
AICIC has made all its capital commitments to these ventures, development is in progress and each venture will move into its commercialization phase on time.



BNNT Technology

Commercialise Boron Nitride Nanotube (BNNT) manufacturing technology

- Only known technology for manufacturing BNNT in bulk in the world
- 20 years exclusive license and global patents
- Currently manufacturing BNNT in a batch process for research purposes
- Projected 18 months for design specification, build and commission a large scale manufacturing plant
- Once operational, able to replicate future plants at lower cost and faster build
- The loan of \$3,600,000 to AICIC will fully fund this venture

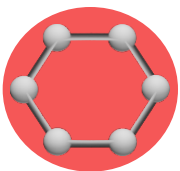
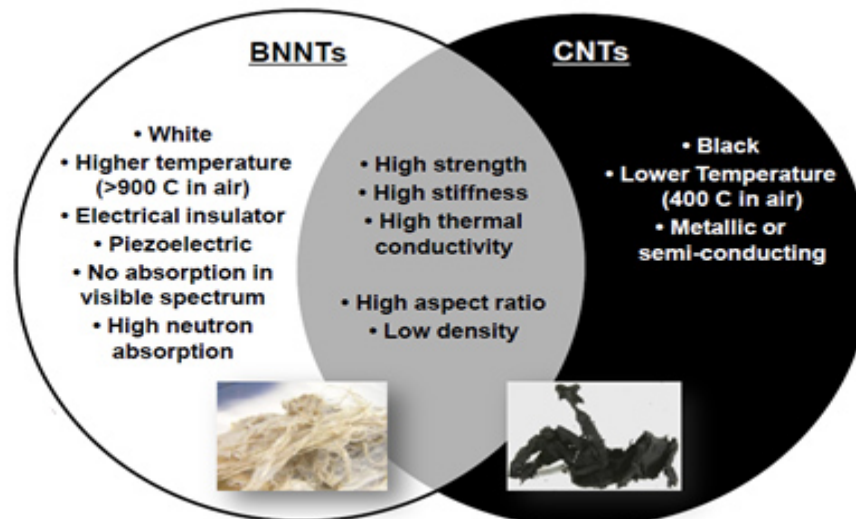


What are BNNTs

Boron Nitride Nanotubes (BNNTs) are:

- Close structural analogues of carbon nanotubes (CNTs) but carbon atoms are alternately substituted by nitrogen and boron atoms
 - Both are considered to be the strongest light-weight materials
 - Thermal conductivity of BNNTs is similar to that of CNTs
 - BNNTs exhibit resistance to oxidation and show greater thermal stability

The main properties of BNNTs and CNTs are compared:



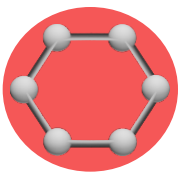
What are BNNTs

Boron Nitride Nanotubes (BNNTs) are:

- A nanomaterial that can bring disruptive changes to a wide range of markets
- First made in 1995, primarily used for research as it is difficult and complex to manufacture – currently selling for \$900US per gram
- Rolled sheets of hexagonal arrays, like carbon nanotubes, but are electrically insulating hybrids made of alternating boron and nitrogen atoms
- Can be functionalised for a specific application and remove chemical groups to regain the original material

Market is in its infancy with enormous growth potential. Potential applications, which have been tested, include:

- Military, aeronautical, vehicular and body armour
- Batteries to improve speed of charging/discharging and extend lifecycle
- Building blocks for next-generation composite and polymer materials
- High performance sensors due to its excellent electrical and thermal conductivity
- Medical for coating implants, drug delivery and cancer treatment



Boron Nitride Nanotubes

Tiny Tube with Great Potential

by Dr Catherine Fay
Senior NASA Scientist



Disruptive technology for on-line application of Australian Visas

- Developed by the major shareholder, a national firm of registered immigration agencies (industry knowledge, experience and contacts)
- On-line service integrated to the government systems that process visas
 - designed to be a simple, interactive, user-friendly and low cost process
 - Creates an accurate application, uploads a completed and tested set of documents to meet government compliance requirements
- Offer to applicants directly and/or white label to other immigration agencies
- From 2014 to 2016, Australia issued more than 200,000 permanent visas and 300,000 temporary visas and 90,000 work visas each year.
- All software development capital has been funded
- To be released in 1st quarter 2019



Loudar Entertainment

Music/entertainment platform that allows musicians/artists/performers to engage viewers and be financially rewarded for performing.

- Online platform using web, iOS and android systems
- Strategic partnerships with radio stations, media outlets and local
- Unique voting system provides an impartial way musicians/artists/performers can increase viewer base and revenue
- All software development capital has been funded
- To be released in 1st quarter 2019

Large international expansion opportunities!



Summary

There is evidence that the NSW coal industry continues to improve:

- underground coal mines are expanding or new mines will be opening
- mining companies are investing capital and securing long term supply/service contracts

PPK is well positioned to take advantage of its position in the industry.

PPK is investing in new, exciting technology ventures:

- Building a manufacturing plant for BNNT, a nanomaterial in early stages of infancy but with a wide variety of uses
- An on-line application for Australian Visas
- An on-line music/entertainment platform



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