Aurora Labs™

Aurora Labs Limited

ABN 44 601 164 505

Annual Financial Report

30 June 2018

CONTENTS

CONTENTS	PAGE
Corporate Directory	3
Chairman’s Review	4
Directors’ Report	5
Auditor’s Independence Declaration	22
Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Consolidated Statement of Financial Position	24
Consolidated Statement of Changes in Equity	25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27
Directors’ Declaration	52
Independent Auditor’s Report	53
Additional ASX Information	57

CORPORATE DIRECTORY

ABN 44 601 164 505

Directors
David Budge
Nathan Henry
Paul Kristensen
Mel Ashton
Mathew Whyte

Company secretary
Mathew Whyte

Registered Address and Principal Place of business
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Bibra Lake WA 6163
Telephone: +61 (08) 9434 1934
Email: enquiries@auroralabs3d.com

Solicitors
Jackson McDonald
Level 17, 225 St Georges Terrace
Perth WA 6000

Bankers
ANZ Bank
Riseley Centre
1/35 Riseley Street
Booragoon WA 6154

Auditors
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry
Security Transfer Australia
770 Canning Highway,
Applecross WA 6153

Stock Exchange
Listed on Australian Securities Exchange
The home exchange is Perth, Western Australia

ASX Code
A3D

CHAIRMANS REVIEW

Dear Shareholder,

As Chairman of the Board of Aurora Labs, newly appointed in January of this year, I take great pleasure in presenting the Company's 2018 Annual Financial Report.

The Company has made substantial progress on several fronts during the reporting year. I am confident that the intrinsic value of this progress greatly overshadows the simple bottom line result that may disappoint some of you.

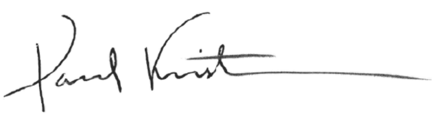
The separate 'Review of Operations' in the Directors Report provides you with details of the Company's activities and ongoing initiatives.

Working with the Aurora team, I have been impressed by the quality of the Company's directors, executives and staff as well as by its advanced technology. Aurora Labs is built on very strong foundations and the company shows tremendous commercial potential. Every effort is being made to turn this potential into hard earnings as soon as possible.

All successful companies need capital to grow, and in April 2018 the company successfully closed an equity raising of $5 million (before costs), subsequently ratified at a general meeting of shareholders. Pleasingly, this meeting gave me the first opportunity to meet some of the Company's valued shareholders.

During the year, with my full support, the Company's powder production innovation (patent pending) has become the subject of intensified development and testing. When fully developed, it promises a relatively short path towards securing a substantial, reliable and rapidly increasing cash-flow, in addition to the more fluctuating revenues from the sale of 3D printers. The new process has already generated considerable interest from potential business partners as well as the investment community.

This letter to shareholders cannot adequately detail the inventiveness, initiative and hard work that has been demonstrated by the entire team of Aurora Labs. On behalf of the Board, I offer them and my fellow directors my sincere thanks. A special thanks goes to you, our shareholders, for your continuing support for which I am confident you will be well rewarded in due course.



Paul Kristensen
Chairman

DIRECTORS' REPORT

The Board of Directors of Aurora Labs Limited (**"Aurora "or "the Company"**) present their report together with the financial report on the Company for the financial year ended 30 June 2018 (FY 2018) and the independent auditor's report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year included the design and development of 3D metal printers, metal powder manufacturing plant, digital parts and their associated intellectual property.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results and Financial Position

Aurora reported a statutory after- tax loss for the year ended 30 June 2018 of $ 5,531,257 (2017: $3,398,989). At the end of the financial year the Company had net assets of $6,446,642 (2017: $6,775,662) and $3,790,081 in cash and cash equivalents (2017: $5,249,614).

Review of Operations

Aurora is an Australian-based industrial technology and innovation company based in Perth that specialises in the development of 3D metal printers, metal powder manufacturing plant, digital parts and their associated intellectual property. During the year the Company made significant progress on the development of its proprietary 3D printer and powder technologies in pursuit of Aurora's aim to transform how metal parts and products are manufactured.

Highlights during the year in review were as follows:

- Progress made with Aurora's Large Format Technology with the prototype being able to print simple parts at market speed.
- The signing of a binding term sheet with WorleyParsons in November 2017 to establish a 50/50 joint venture AdditiveNow to service the mining, oil and gas and major infrastructure industries around the world.
- Completion of a capital raising of $5,000,000 (before costs) by way of a placement to institutional and sophisticated investors in February 2018.
- Enhancement of the Board with the appointment of new Board members Mr Paul Kristensen as non-executive Chairman and Mr Mel Ashton as non-executive director.
- Roll out of the Company's Industry Partner Program including signing of non-binding term sheets with:
  - DNV GL; and
  - VEEM Ltd.
- Aurora's prototype Powder Production Unit successfully producing laboratory scale powder in June 2018.
- Expansion of Small Format Printer distribution network into South Korea, Russia and Africa.

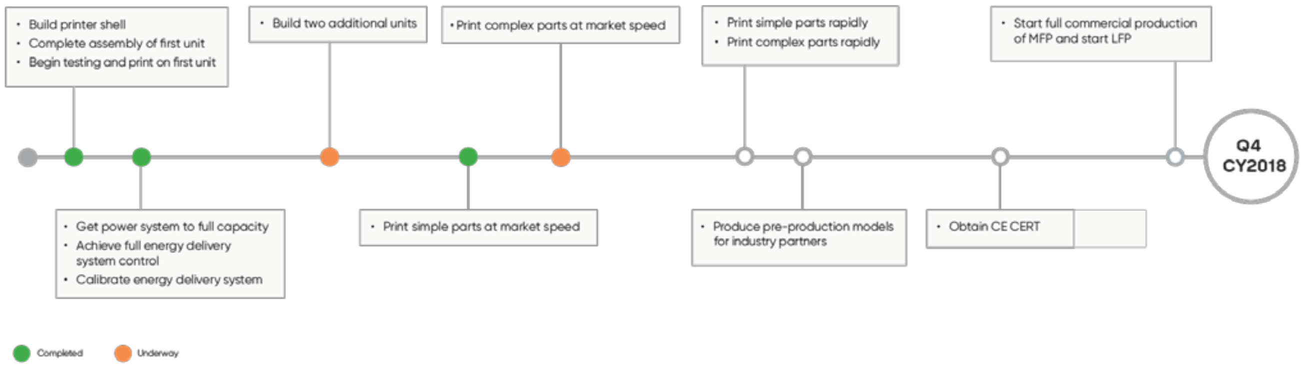
Large Format Technology (LFT)

The Company reached a critical milestone during the year announcing the ability for its prototype to print simple parts at market speed. Market speed is at a rate comparable to existing technology in the market, but at a fraction of the ultimate speed of the Large Format Technology, approximately 100 times faster than existing 3D-printers. This achievement signifies that the key components of the Large Format Technology have been proven at a fundamental level and will lead the way for the development of the Medium and Large Format Printer (MFP / LFP).

The Company continues to deliver on the key milestones outlined in the timeline below. These milestones will demonstrate the progress in the development and ultimate commercialisation of the Medium and Large Format Printers.

Ti6Al4V DMLM Print - Turbine stator

Estimated Large Format Technology Development Timeline



Powder production prototype (PPU)

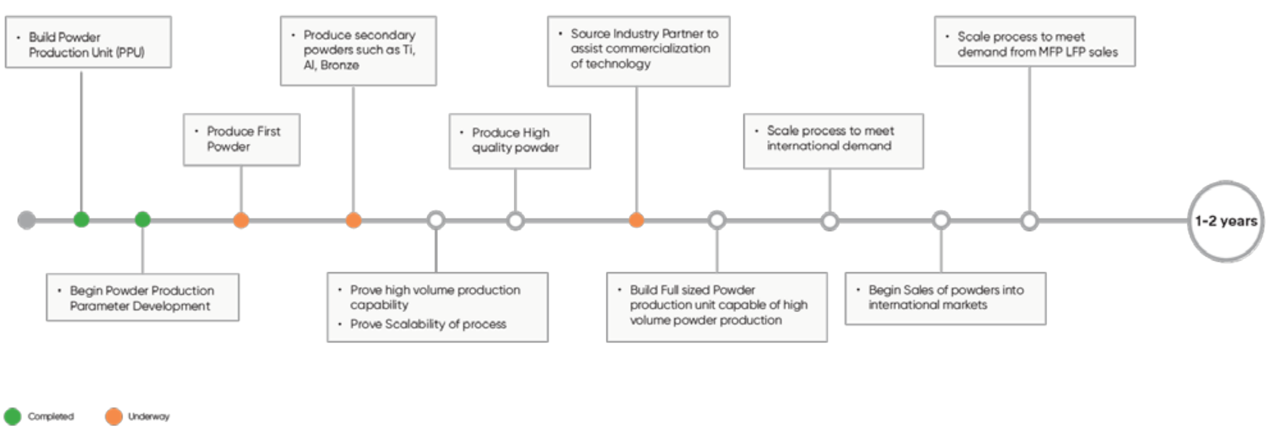
Aurora's prototype Powder Production Unit (PPU) successfully produced laboratory test scale powder in June, which was a significant achievement in the process to commercial powder production. The development of the PPU has potential to open considerable new markets for Aurora and be a source of ongoing revenue for the Company.

The powder from the test samples has demonstrated a very tight size distribution, and this is a positive indication of the very high yields that Aurora is targeting. The primary advantage the Company is aiming to achieve is to produce a higher quality product at a lower cost of production.

It is intended that the powders will support part of the projected high utilisation of consumables from the Company's Large Format Printer which is currently under development. Currently, the international powdered metals market, e.g. Metal Injection Moulding (MIM) powders, is valued in the billions of dollars. Advancing Aurora's PPU technology is intended to develop significant synergies between metal powder production and the anticipated demand created by additive manufacturing.

Aurora will also be exploring business models and commercial opportunities internationally where there is a large demand for metal powders in markets not related to 3D printing. The Company continues to deliver on the key milestones outlined in the timeline below.

Estimated Powder Production Unit Development Timeline

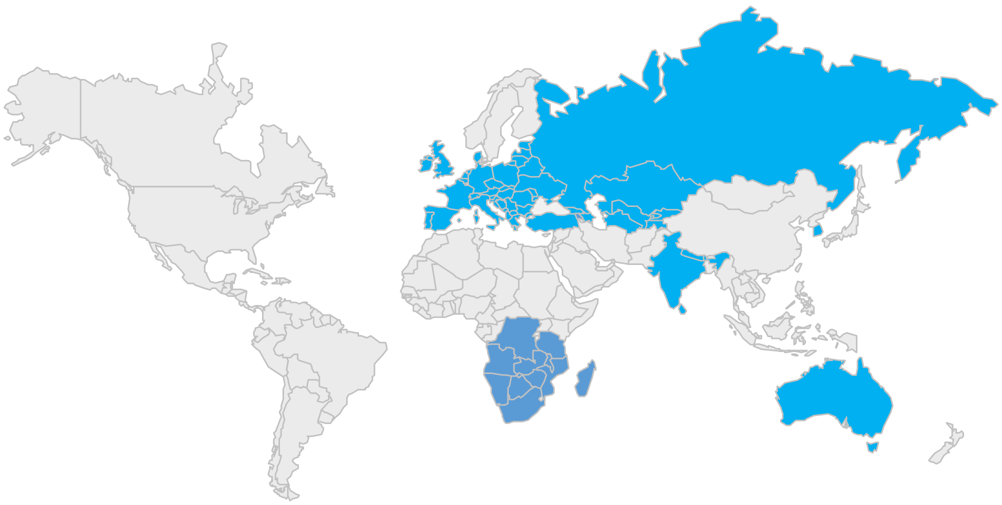


Expansion of distribution network for S Titanum Pro (STP)

During the year, Aurora signed several distribution agreements to advance the marketing and commercialisation of the STP:

- with Partner Labs Co Ltd for exclusive distribution rights in South Korea;
- with Nissa Digispace for exclusive distribution rights in Russia and certain other CIS regions; and
- with Weartech Pty Ltd for exclusive distribution rights in South Africa and non-exclusive distribution license in the 14-member countries of the Southern African Development Community.

Aurora continues to work with a view to developing its overseas distributor network in order to generate indirect sales of its STP. Sales will assist with funding the development of the Large Format Technology.



Aurora Labs' latest distrubtor network

Expansion of the Company's Industry Partner Program

During the year the Company made significant breakthroughs with the rollout of its Industry Partner Program by the signing of:

- a binding term sheet with WorleyParsons to establish a 50/50 incorporated joint venture to be called AdditiveNow Pty Ltd. AdditiveNow will provide a 3D printing solutions centre to major infrastructure, mining and other resource companies globally to provide those companies with a competitive advantage over the general market through expert use of key 3D printing technologies;
- of a non-binding term sheet with DNV GL, which allows for the independent certification of Aurora's 3D-printed parts as fit for their intended purpose and meeting global certification requirements. DNV GL is a leading global quality assurance and risk management company, providing classification, technical assurance, software and independent expert advisory services to the maritime, oil & gas, power and renewables industries.
- a non-binding term sheet signed with VEEM Ltd which outlines the opportunity for Aurora to work directly with VEEM for early access to the Company's technology, the potential for the purchase of the Company's 3D-printing machines and the ability to do R&D on areas that are appropriate for VEEM's business. VEEM is an ASX-listed company (ASX:VEE) that specialises in high-technology propellers and gyrostabilisers.

Aurora will continue to grow the Industry Partner Program, and the agreements achieved to date are a validation of Aurora's business and acknowledge the potential that 3D printing has in how parts are created and optimised.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The objective of the Company is to create long-term shareholder value through the design and development of metal 3D printers and associated products and services.

The activities outlined in the Review of Operations are inherently risky and the Board is unable to provide certainty of the expected timing and financial results of these activities, or that any or all of these likely developments will be achieved. All future activities are subject to various risks and there are no assurances that these targeted milestones will be reached or that the stated timeframes will be met.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than reported above in the Review of Results and Operations, there were no significant changes in the state of affairs of the Company during the reporting period.

LOSS PER SHARE

	2018 $	2017 $
Basic loss per share	**0.091**	0.063

DIVIDENDS OR DISTRIBUTIONS

No dividends were paid during the financial year and the Directors do not recommend the payment of a dividend.

EMPLOYEES

The Company had 36 employees as at the 30 June 2018 (2017: 40).

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

On 12 July 2018, 7,087,500 Class B Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2018. Refer Aurora's announcement to ASX dated 12 July 2018 'Changes to Company Securities'.

On 16 August 2018 32,260,696 Shares and 9,092,500 Unquoted options (exercisable at $0.20 and expiring 31 December 2018) were released from escrow.

Other than the above there have been no other matters or circumstances which have arisen since 30 June 2018 that have significantly affected or may significantly affect:

a) Aurora Labs operations in future financial years; or
b) The results of those operations in future financial years; or
c) Aurora Labs state of affairs in future financial years.

ENVIRONMENTAL LAWS AND REGULATIONS

Aurora Labs operations are subject to various environmental laws and regulations under the relevant government's legislation. The Company adheres to these laws and regulations. There have been no known breaches of environmental laws and regulations by the Company during the financial year.

INFORMATION ON THE DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are as follows.

David Budge	Managing Director	Director since incorporation
Nathan Henry	Executive Director	Appointed 23 November 2015
Mathew Whyte	Non-Executive Director and Company Secretary	Appointed 26 July 2017 Appointed 13 October 2016
Paul Kristensen	Non-Executive Chairman	Appointed 22 January 2018
Mel Ashton	Non-Executive Director	Appointed 22 January 2018
Samantha Tough	Non-Executive Chairman	Appointed 12 June 2017, resigned 25 July 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

CURRENT DIRECTORS AND OFFICERS

David Budge

Managing Director

Qualifications: Bachelor of Science (Chemistry) from University of Western Australia

Term of office: Since incorporation.

Mr Budge has extensive industry experience in robotics, robotic welding, surfacing engineering, product development and manufacturing processes. He has become recognised for his experience in solving difficult fabrication and surface engineering problems for clients. He is the primary inventor of the large majority of Aurora's inventions that are the subject of its patent applications.

Mr Budge has experience developing and manufacturing a range of products for Australian and international markets. He has previously worked for a number of engineering companies overseeing several departments, product development and R&D. More recently Mr Budge established and ran Advanced Industrial Manufacturing Pty Ltd, a company that specialised in providing robotic welding and specialised technology solutions to the mining and oil and gas sectors.

Mr Budge is a founding director and significant shareholder in Aurora.

During the three- year period to the end of the financial year, Mr Budge has not been a director of any other listed company.

John (Nathan) Henry

Executive Director (Business Development)

Term of office: Since 23 November 2015.

Mr Henry has held senior management roles over the last 25 years. He has been involved in every level of strategic planning, divisional financial reporting and senior corporate accountability up to Board level. His roles have covered the full spectrum of responsibility including process and business model development, new business development, technology implementation and roll out through distributed networks, market research and writing of business plans. He has experience with ISO certification, equipment purchases recommendations, workflow planning, skilled employee hires, securing AVL status and marketing plans. He has previously developed and led sales teams for market leading companies both in Australia and in the USA.

Mr Henry is responsible for developing the strategy and processes required for branding and marketing the Company's products and services. These include, but are not limited to, 3D printers, consumables, services and licensing. He is responsible for developing advertising materials, overseeing web design and social media campaigns as well as monitoring metrics for these modes of communication and marketing.

During the three- year period to the end of the financial year, Mr Henry has not been a director of any other listed company.

Paul Kristensen

Non-Executive Chairman

Qualifications: Bachelor of Science (Mech.Eng.(Hons.)) from the Technical University of Denmark and Member of the Institution of Engineers Australia (Engineers Australia)

Term of office: Since 22 January 2018

Mr Kristensen is a veteran angel investor and serial entrepreneur with a passion for turning exceptional technology into great business. Based on initial expertise gained during a career in nuclear science R&D, he combines vision and enthusiasm with innovative strategy development and in-depth corporate and commercial knowledge, acquired over subsequent decades of activity as a technology investor and serial entrepreneur. Paul is a highly experienced company chair and director who has taken IP-based companies to IPOs both in Australia and on overseas stock exchanges. He has previously served as a Chairman of a London AIM -listed Group for 11 years.

During the three-year period to the end of the financial year, Mr Kristensen has not been a director of any other listed company.

Mel Ashton

Non-Executive Director

Qualifications: Bachelor of Commerce from the University of Western Australia, Fellow of Chartered Accountants Australia and New Zealand.

Term of office: Since 22 January 2018

Mr Ashton has over 35 years' experience as a Chartered Accountant and leverages his strategic approach and business network in his role as a specialist in Corporate Restructuring and Finance and as a Professional Company Director. Mel is the independent Chair of the Finance and Risk Committee at the Hawaiian Group, the Western Australian based property group.

During the three- year period to the end of the financial year Mr Ashton served as Chairman of the Board of Venture Minerals Ltd (May 2006 to Current), Credit Intelligence Ltd (May 2018 to current), Gryphon Minerals Ltd (May 2004 until October 2016) and Empired Ltd (December 2005 to November 2016).

Mathew Whyte

Non-Executive Director and Company Secretary

Qualifications: Bachelor of Business (Accounting) from Curtin University, CPA and a Fellow of Institute of Chartered Secretaries and Administrators (Governance Institute of Australia).

Term of office: Company Secretary since 13 October 2016. Non -Executive Director since 26 July 2017.

Mr Whyte is a professional executive with over 25 years' experience in corporate administration and financial management of small to medium ASX listed entities. He has specific and hands on Board, Company Secretarial and CFO experience for WA based ASX Listed Mining, Mining Services, Biotech, Oleochemical and Renewable fuel generation industries with overseas operations experience in USA, South East Asia, Africa, Eurozone and the UK.

During the three- year period to the end of the financial year, Mr Whyte has served as a Company Secretary for Novo Litio Ltd (November 2011 – Current), Galileo Mining Ltd (October 2017 – Current) and Tiger Resources Ltd (July 2018 – Current).

Samantha Tough

Non-Executive Chairman

Qualifications: *Fellow of the AICD and completed a Bachelor of Laws and Bachelor of Jurisprudence at University of WA.*

Term of office: 12 June 2017 to 25 July 2017

DIRECTORS' INTERESTS

As at the date of this report the relevant interests of each of the Directors, held either directly or indirectly through their associates, in the securities of Aurora are as follows:

Directors	Number of fully paid ordinary shares	Number of unquoted options over ordinary shares	Number of performance shares (Class C)
David Budge	23,946,785	1,020,000[1]	5,341,975
Nathan Henry	982,151	1,973,334[2]	185,624
Mathew Whyte	-	165,000[3]	-
Paul Kristensen	-	100,000[4]	-
Mel Ashton	-	100,000[4]	-
Total	**28,928,936**	**3,358,334**	**5,527,599**

[1] Unquoted options: 725,000 Ex $0.20/ Exp 31 December 2018; 115,000 Ex $2.23/Exp 30 November 2019; 165,000 Ex $3.00/Exp 31 March 2020; & 15,000 Ex $0.79/Exp 31 August 2020

[2] Unquoted options: 1,693,334 Ex $0.20/ Exp 31 December 2018; 140,000 Ex $2.23/Exp 30 November 2019; 125,000 Ex $3.00/Exp 31 March 2020; & 15,000 Ex $0.79/Exp 31 August 2020

[3] Unquoted options: 50,000 Ex $3.00/Exp 31 March 2020; 15,000 Ex $0.79/Exp 31 August 2020 & 100,000 EX $0.92/ Exp 31 July 2020

[4] Unquoted options 100,000 Ex $1.08/Exp 31 January 2021

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the year ended 30 June 2018 and the number of meetings attended by each Director. There was a total of nine (9) Directors' meetings for the financial year.

	Directors' meetings		Audit Committee meetings	
2018	**Directors' meetings held while a director**	**Number attended**	**Audit meetings held**	**Audit meetings attended**
David Budge	9	9	1	-
Nathan Henry	9	9	1	-
Mathew Whyte	9	9	1	1
Paul Kristensen	6	6	1	1
Mel Ashton	6	6	1	1

In addition, throughout the course of the year there were 12 resolutions of directors which were made by unanimous written resolution.

The Audit Committee was re-established on 17 May 2018 and one (1) Audit Committee meetings was held during the year.

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Aurora for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

(a) Key Management Personnel

The remuneration report details the remuneration arrangements for key management personnel ("KMP") of the Company who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The KMP of the Company during or since the end of the financial year were as follows:

KMP	Position	Period of Employment
David Budge	Managing Director	1 November 2015 to current
Nathan Henry	Executive Director	23 November 2015 to current
Mathew Whyte	Company Secretary; and	13 October 2016 to current
	Non-Executive Director	26 July 2017 to current
Paul Kristensen	Non-Executive Chairman	22 January 2018 to current
Mel Ashton	Non-Executive Director	22 January 2018 to current
Samantha Tough	Non-Executive Chairman	12 June 2017 to 25 July 2017

(b) Remuneration Philosophy and Policy

The Board has adopted Remuneration and Nomination Policy dated May 2016 (Refer http://auroralabs3d.com/corporate-compliance/). The Company's remuneration policy for its KMP's is administered by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the period ended 30 June 2018. The Corporate Governance Statement provides further information on the Company's remuneration governance.

Due to the Company's size and current stage of development, the Board has not established a separate nomination and remuneration committee at this stage. This function (Remuneration Function) is performed by the Board. Therefore, the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Managing Director, the Directors and the executive team.

In addition, all matters of remuneration will continue to be in accordance with the Corporations Act requirements, especially with regard to related party transactions. That is, none of the directors participate in any deliberations regarding their own remuneration or related issues.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

(c) Non-Executive Director remuneration

On appointment to the Board, all Non-Executive Directors enter into service agreements with the Company in the form of a Non- Executive deed of Engagement. The Deed of Engagement summarises the Board policies and terms of engagement including remuneration relevant to the office of director.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors was set by shareholders at General Meeting held on 8 June 2016 at $250,000 per annum. Total Non–Executive remuneration fees paid during the year ended 30 June 2018 were $212,784 (including Superannuation contributions). The Board considers that the aggregate remuneration available for payment will provide the ability to attract and retain Directors of the highest calibre to meet the Company's growth in market capitalisation and complexity, at a cost that is acceptable to shareholders.

Within that maximum aggregate the Board seeks to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Fees may also be paid to Non-Executive Directors for additional consulting services provided to the Company.

Fees for Non-Executive Directors are not linked to the performance of the Company. Non-Executive Directors' remuneration may also include an incentive portion consisting of options, subject to shareholder approval. Non-Executive Directors are considered Eligible Employees for the purposes of participation in the Company's Employee Incentive Plan.

(d) Executive Director Remuneration

In determining Executive Director remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

The Company's remuneration policy is to provide a fixed remuneration component and a short and long-term performance-based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, statutory superannuation contributions and other non-cash benefits. Fixed remuneration is reviewed annually by the Board in accordance with the Remuneration and Nomination Policy.

Performance Based Remuneration – Short Term Incentive

No Short-Term Incentives were paid or are payable in relation to FY 2018 or FY 2017.

The Board intends to implement a system where Executives may be entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the operations of the Company, the Board may determine these KPI's, including measures such as successful commercialisation of the Company's products and services, production and sales levels, operational cash flows, corporate activities and business development activities.

Performance Based Remuneration – Long Term Incentive

The Board seeks to align the interests of its Directors and Employees with those of its shareholders and accordingly has adopted an Employee Incentive Share Plan ("Plan") which provides for the issue of Options or Performance Rights (Awards) as a key component of the Long-Term Incentive portion of remuneration. Awards under the Plan are based on the following three categories:

1. Package Awards – As part of their employment package with Aurora Labs to attract and retain quality Executives and Employees.
2. Performance Awards – As a reward for Executives and Employees exceeding Company deliverables.
3. Innovation Awards – As a reward for Executives and Employees who have come up with innovative ideas that are deemed to be beneficial to Aurora and its business operations, usually by reference to whether the idea is likely to be patented or otherwise, form the basis for potentially valuable proprietary technology of Aurora.

Since the balance date, on 26 July 2018, the Company amended its Plan to provide that any Performance Rights issued under the Plan in the future will be exercisable Awards and will therefore only be converted into fully paid ordinary shares in the Company (Shares) upon receipt by the Company of a notice of exercise from the holder of the Performance Rights. Prior to these amendments, any Performance Rights issued under the Plan were required to be immediately converted into Shares by the Company upon vesting. The purpose of these amendments is to allow participants in the Plan to defer the taxing point applicable to the issue of Shares upon the conversion of performance rights, and therefore make the issue of Performance Rights to participants under the Plan more efficient.

A copy of the Plan is available on the Company's Website.

During the financial year ended 30 June 2018 the Company granted a total of 867,000 Unquoted Options pursuant to the Plan (2017: 1,411,000). Of these, 345,000 Unquoted Options were granted to Directors with the approval of shareholders at General Meeting. The remaining 522,000 Unquoted Options were granted to Eligible Employees under the Plan.

(e) Relationship between Remuneration of KMP and the Company's Performance

Director's remuneration is set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Directors are not currently linked to the performance of the Company. This policy may change once the Company's design, development and commercialisation phases of its business is complete and the Company is generating revenue and profits. The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its metal 3D printing and associated products and services activities. During the current and previous financial period the Company's remuneration policy is not impacted by the Company's performance including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders), however this will be reviewed on an annual basis.

(f) Voting and comments made at the Company's 2017 Annual General Meeting

Aurora received 92.6% of "Yes" votes on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

(g) Executive Director Engagement Deeds

Remuneration and other terms of employment for KMP are formalised in Engagement Deeds which specify the components of remuneration, benefits and notice period.

<u>David Budge</u>

Mr Budge is remunerated pursuant to the terms and conditions of his Engagement Deed dated 3 May 2016, as varied on 10 January 2017 following a review of his employment conditions conducted by the Board.

Mr Budge was paid an annual salary of $250,000 plus superannuation. Mr Budge is also paid (by way of reimbursement) a vehicle allowance comprising business fuel costs, reasonable servicing costs, comprehensive insurance premiums, registration and third-party insurance costs, and finance payments of between $350 and $400 per month.

<u>Nathan Henry</u>

Mr Henry is remunerated pursuant to the terms and conditions of his Engagement Deed dated 4 May 2016, as varied on 15 March 2017 following a review of his employment conditions conducted by the Board.

Mr Henry was paid an annual salary of $230,000 plus superannuation.

The material terms of both the Deeds for the Executive Directors are as follows:

(i) The employment of each Director may be terminated without cause by the Director or Aurora giving 6 months' notice. Aurora may otherwise terminate a Director's employment immediately for cause (e.g. serious misconduct).

(ii) Each Director is subject to a post-employment restraint on engaging in a business of the same or substantially similar nature to Aurora or soliciting Aurora's employees, suppliers or clients within the Asia Pacific region for up to 6 months.

The Deeds otherwise contain terms and conditions considered standard for deeds of this nature.

Remuneration of KMP

Details of the nature and amount of each element of the emoluments of each of the KMP of Aurora during the financial year were as follows:

FY 2018	Short-term benefits Salary & fees $	 Motor vehicle payments $	Post-employment benefits Superannuation $	Share-based payments Options $	Total $	Percentage performance related %
Directors						
David Budge[1]	250,000	4,795	23,750	7,169	285,714	-
Nathan Henry[2]	230,000	-	21,850	7,169	259,019	-
Mathew Whyte[3]	147,508	-	1,171	52,369	201,048	-
Paul Kristensen[4]	33,794	-	-	23,810	57,604	-
Mel Ashton[4]	24,029	-	-	23,810	47,839	-
Samantha Tough	5,385	-	512	-	5,897	-
Total	**690,716**	**4,795**	**47,283**	**114,327**	**857,121**	**-**

[1] David Budge was granted 15,000 Unquoted Options, as approved by shareholders at General Meeting held on 29 November 2017, exercisable at $0.79 and expiring on 31 August 2020 pursuant to Aurora Employee Incentive Plan which were valued using Black-Scholes pricing model at $0.4779 each:

[2] Nathan Henry was granted 15,000 Unquoted Options, as approved by shareholders at General Meeting held on 29 November 2017, exercisable at $0.79 and expiring on 31 August 2020 pursuant to Aurora Employee Incentive Plan which were valued using Black-Scholes pricing model at $0.4779 each:

[3] Mathew Whyte provided company secretarial services through his controlled entity WhyPro Corporate Services ABN 53 844 654 790. Payments for company secretarial services during FY 2018 totalled: $115,200 (excluding superannuation). Mr Whyte also received a non-executive fee of $32,508 (plus superannuation of $1,117). Mr Whyte was granted 115,000 Unquoted Options, as approved by shareholders at General Meeting held on 29 November 2017, pursuant to Aurora Employee Incentive Plan of which:

- 15,000 Options Exercisable at $0.79 and Expiring 31 August 2020 were valued using Black-Scholes pricing model at $0.4779 each; and
- 100,000 Options Exercisable at $0.95 and Expiring 31 July 2020 were valued using Black-Scholes pricing model at $0.4520 each.

[4] Paul Kristensen and Mel Ashton were each granted 100,000 Unquoted Options, as approved by shareholders at General Meeting held on 17 April 2018, pursuant to Aurora's Employee Incentive Plan, Exercisable at $1.08 and Expiring 31 January 2021 which were valued using Black-Scholes pricing model at $0.2381 each.

FY 2017	Short-term benefits Salary & fees $		Post- employment benefits Superannuation $	Share-based payments Options $	Total $	Percentage performance related %
Directors						
David Budge[1]	201,538	6,550	19,146	79,302	306,536	-
Nathan Henry[2]	172,462	-	16,384	75,544	264,390	-
Mathew Whyte[3]	70,400	-	-	58,380	128,780	-
Paul Kehoe	43,654	-	4,147	-	47,801	-
David Parker[4]	29,365	-	985	-	30,350	-
Hendrikus Herman	26,250	-	2,494	-	28,744	-
Samantha Tough	3,231	-	307	-	3,538	-
Total	**546,900**	**6,550**	**43,463**	**213,226**	**810,139**	**-**

[1] David Budge was granted 280,000 Unquoted Options pursuant to Aurora Employee Incentive Plan as approved by shareholders at General Meeting held on 12 Jun 2017 of which:

- 115,000 Options Exercisable at $2.23 and Expiring 30 November 2019 were valued using Black-Scholes pricing model at $0.2925 each; and
- 165,000 Options Exercisable at $3.00 and Expiring 31 March 2020 were valued using Black-Scholes pricing model at $0.2768 each.

[2] Nathan Henry was granted 265,000 Unquoted Options pursuant to Aurora Employee Incentive Plan as approved by shareholders at General Meeting held on 12 June 2017 of which:

- 140,000 Options Exercisable at $2.23 and Expiring 30 November 2019 were valued using Black-Scholes pricing model at $0.2925 each; and
- 125,000 Options Exercisable at $3.00 and Expiring 31 March 2020 were valued using Black-Scholes pricing model at $0.2768 each.

[3] Mathew Whyte provided company secretarial services commencing on 13 Oct 2016 through his controlled entity WhyPro Corporate Services ABN 53 844 654 790. Payments for company secretarial services during FY 2017 totalled: $70,400. Mr Whyte was also granted 50,000 Unquoted Options on 14 Mar 2017, pursuant to Aurora's Employee Incentive Plan, Exercisable at $3.00 and Expiring 31 Mar 2020 which were valued using Black-Scholes pricing model at $1.1676 each.

[4] David Parker provided company secretarial services through a controlled entity Cobblestones Corporate Pty Ltd. Payments for company secretarial services during FY 2017 year totalled: $19,000. David Parker is also an employee of Alto Capital who provided Lead Manager and capital raising services to the Company. Alto Capital was paid $222,452 for services during FY 2017. David Parker was also issued 363,333 ordinary shares as consideration for services from Alto Capital through the Lead Manager mandate agreement during FY 2017.

Cash bonuses granted as compensation for the current financial year.
No cash bonuses were granted during the year ended 2018 (2017: nil)

Options

Details of Options granted as compensation pursuant to the Aurora Employee Incentive Plan for the current financial year
For details on the valuation of the options, including models and assumptions used, please refer to Note 20. There were no material alterations to the terms and conditions of options granted as remuneration since their grant date.

During FY 2018 KMP were issued Company Options, pursuant to the Employee Share Plan, and with shareholder approval where required. The table below details all options issued during FY 2018, noting some options have been issued to employees or consultants that are not KMPs.

FY 2018 Date options granted	Number of Options	Exercise price of option $	Expiry date of option	Value of Options at grant date $
12 July 17	40,000	1.17	30 June 20	0.26
29 Nov 17	477,000	0.79	31 Aug 20	0.30
29 Nov 17	100,000	0.95	31 Jul 20	0.48
3 Oct 2017	50,000	0.72	30 Sept 20	0.23
17 Apr 18	200,000	1.08	31 Jan 21	0.24
Total	**867,000**			

FY 2017 Date options granted	Number of Options	Exercise price of option $	Expiry date of option	Value of Options at grant date $
22 Nov 16	225,000	2.23	30 Nov 19	0.29
14 Mar 17	641,000	3.00	31 Mar 20	1.17
10 May 17	290,000	3.00	31 Mar 20	0.28
12 Jun 17	255,000	2.23	30 Nov 19	0.29
Total	**1,411,000**			

Company Options granted to KMP

During the financial year, Unquoted Options were granted to the following KMP, or the entities they controlled, pursuant to the Employee Incentive Plan as part of their remuneration.

FY 2018	Exercise price $	Expiry date	Number of options granted	Total number of shares under option at the end of the year
Directors				
David Budge	0.79	31 Aug 20	15,000	15,000
Nathan Henry	0.79	31 Aug 20	15,000	15,000
Mathew Whyte	0.79	31 Aug 20	15,000	15,000
Mathew Whyte	0.95	31 Jul 20	100,000	100,000
Paul Kristensen	1.08	31 Jan 21	100,000	100,000
Mel Ashton	1.08	31 Jan 21	100,000	100,000
Total			**345,000**	**345,000**

FY 2017	Exercise price $	Expiry date	Number of options granted	Total number of shares under option at the end of the year
Directors				
David Budge	2.23	30 Nov 19	115,000	115,000
David Budge	3.00	31 Mar 20	165,000	165,000
Nathan Henry	2.23	30 Nov 19	140,000	140,000
Nathan Henry	3.00	31 Mar 20	125,000	125,000
Mathew Whyte	3.00	31 Mar 20	50,000	50,000
Paul Kehoe	-	-	-	-
Samantha Tough	-	-	-	-
Hendrikus Herman	-	-	-	-
David Parker	-	-	-	-
Total			**595,000**	**595,000**

There were no alterations to the terms and conditions of Options granted as remuneration since their grant date, other than minor amendments to the term relating to transferability of the Options which was approved by shareholders at a general meeting on 13 June 2016.

There were no shares issued during FY 2018 or FY 2017 as a result of the exercise of an Option by KMP. No Options lapsed during FY 2018 or FY 2017.

Shares and performance shares issued to KMP

During FY 2018 no shares or performance shares were issued to KMP as part of their remuneration.

During FY 2017 no shares or performance shares were issued to KMP as part of their remuneration.

Loans to and from KMP

There were no loans made to or from KMP during FY 2018 and there are no loans outstanding from KMP at the date of this report.

There were no loans made to or from KMP during FY 2017 and there are no loans outstanding from KMP at the date of this report.

KMP equity holdings

Fully paid ordinary shares

FY 2018	Balance at beginning of year Number	Granted as compensation Number[3]	Received on exercise of options Number	Net change other Number[2]	Balance at end of year Number	Balance held nominally Number
Directors						
David Budge	23,946,785	-	-	-	23,946,785	-
Nathan Henry	982,151	-	-	-	982,151	150,000
Paul Kristensen	-	-	-	-	-	-
Mel Ashton	-	-	-	-	-	-
Mathew Whyte	-	-	-	-	-	-
Samantha Tough	-	-	-	-	-	-

FY 2017	Balance at beginning of period Number	Granted as compensation Number[3]	Received on exercise of options Number	Net change other Number[2]	Balance at end of year Number	Balance held nominally Number
Directors						
David Budge	23,946,785	-	-	-	23,946,785	-
Nathan Henry	832,151	-	-	150,000	982,151	150,000
Mathew Whyte	-	-	-	-	-	-
Paul Kehoe[1]	1,093,750	-	-	1,000,000	2,093,750	2,093,750
David Parker[1]	246,667	363,333	-	250,000	860,000	400,000
Hendrikus Herman[1]	782,151	-	-	150,000	932,151	932,151
Samantha Tough[1]	-	-	-	-	-	-

[1] Held as at date of resignation.

[2] Shares acquired by subscription through IPO Prospectus for a consideration paid of $0.20 per share

[3] David Parker was also an employee of Alto Capital who provided Lead Manager and capital raising services to the Company. David Parker was issued 363,333 ordinary shares as consideration for services from Alto Capital through the Lead Manager mandate agreement during FY 2017.

Company Options

FY 2018	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number[2]	Balance at end of year Number
Directors					
David Budge	1,005,000	15,000	-	-	1,020,000
Nathan Henry	1,958,334	15,000	-	-	1,973,334
Mathew Whyte	50,000	115,000	-	-	165,000
Paul Kristensen	-	100,000	-	-	100,000
Mel Ashton	-	100,000	-	-	100,000

FY 2017	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number[2]	Balance at end of year Number
Directors					
David Budge	725,000	280,000	-	-	1,005,000
Nathan Henry	1,693,334	265,000	-	-	1,958,334
Mathew Whyte	-	50,000	-	-	50,000
Paul Kehoe[1]	500,000	-	-	1,000,000	1,500,000
David Parker[1]	-	-	-	1,000,000	1,000,000
Hendrikus Herman[1]	1,693,333	-	-	-	1,693,333
Samantha Tough[1]	-	-	-	-	-

[1] Held as at date of resignation.
[2] Options acquired by subscription through IPO Prospectus for a consideration paid of $0.01 per share.

All Company Options issued to KMP were made in accordance with the provisions of the Employee Incentive Plan. During the year, no options were exercised or sold. No amounts remain unpaid on the options during the financial year at year end.

Performance Shares Class A

FY 2018	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Redeemed and cancelled Number	Balance at end of year Number	Balance held nominally Number
Directors						
David Budge	4,420,945	-	-	4,420,945[1]	-	-
Nathan Henry	153,628	-	-	153,628[1]	-	-
Mathew Whyte	-	-	-	-	-	-
Paul Kristensen	-	-	-	-	-	-
Mel Ashton	-	-	-	-	-	-
Samantha Tough	-	-	-	-	-	-

[1] Subsequent to beginning of year on 7 July 2017 all Class A Performance Shares were redeemed and cancelled.

FY 2017	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Redeemed and cancelled Number	Balance at end of year Number	Balance held nominally Number
Directors						
David Budge	4,420,945	-	-	-	4,420,945	-
Nathan Henry	153,628	-	-	-	153,628	-
Mathew Whyte	-	-	-	-	-	-
Paul Kehoe[1]	75,000	-	-	-	75,000	75,000
David Parker[1]	80,192	-	-	-	80,192	27,692
Hendrikus Herman[1]	144,397	-	-	-	144,397	46,154
Samantha Tough[1]	-	-	-	-	-	-

[1] Held as at date of resignation.

Performance Shares Class B

FY 2018	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge[1]	4,973,945	-	-	4,973,945	-
Nathan Henry[1]	172,832	-	-	172,832	-
Mathew Whyte	-	-	-	-	-
Paul Kristensen	-	-	-	-	-
Mel Ashton	-	-	-	-	-
Samantha Tough	-	-	-	-	-

[1] Subsequent to balance date all Class B Performance shares were redeemed and cancelled on 12 July 2018

Performance Shares Class B

FY 2017	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge	4,973,945	-	-	4,973,945	-
Nathan Henry	172,832	-	-	172,832	-
Mathew Whyte	-	-	-	-	-
Paul Kehoe[1]	84,375	-	-	84,375	84,375
David Parker[1]	90,216	-	-	90,216	31,154
Hendrikus Herman[1]	162,448	-	-	162,448	51,924
Samantha Tough	-	-	-	-	-

[1] Held as at date of resignation.

Performance Shares Class C

FY 2018	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge	5,341,975	-	-	5,341,975	-
Nathan Henry	185,624	-	-	185,624	-
Mathew Whyte	-	-	-	-	-
Paul Kristensen	-				
Mel Ashton	-				
Samantha Tough	-	-	-	-	-

Performance Shares Class C

FY 2017	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge	5,341,975	-		5,341,975	-
Nathan Henry	185,624	-	-	185,624	-
Mathew Whyte	-	-	-	-	-
Paul Kehoe	90,625	-	-	90,625	90,625
David Parker	96,898	-	-	96,898	33,461
Hendrikus Herman	174,480	-	-	174,480	55,769
Samantha Tough	-	-	-	-	-

END OF AUDITED REMUNERATION REPORT

SHARE OPTIONS

At the date of this report the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price $	Outstanding at 1 Jul 17	Lapsed/ Cancelled or Exercised	Outstanding at Date of this Repot
23 Nov 15[1]	31 Dec 18	0.20	1,400,000	(1,292,075)[7]	107,925
10 May 16	31 Dec 18	0.20	4,250,000	-	4,250,000
3 Aug 16[2]	31 Dec 18	0.20	5,500,000	-	5,500,000
22 Nov 16[3]	30 Nov 19	2.23	225,000	-	225,000
14 Mar 17[3]	31 Mar 20	3.00	641,000	-	641,000
12 Jun 17[4]	30 Nov 19	2.23	255,000	-	255,000
12 Jun 17[4]	31 Mar 20	3.00	290,000	-	290,000
12 Jul 17[5]	30 Jun 20	1.17	-	-	40,000
29 Aug 17[5]	31 Aug 20	0.79	-	(15,000)	417,000
27 Sep 17[5]	30 Sep 20	0.72	-	-	50,000
29 Nov 17[5]	31 Aug 20	0.79	-	-	45,000
29 Nov 17[5]	31 Jul 20	0.95	-	-	100,000
17 Apr 18[5]	31 Jan 21	1.08	-		200,000
17 Apr 18[6]	17 Apr 20	1.00	-	-	500,000
17 Apr 18[6]	17 Apr 20	1.00	-		3,186,000
TOTAL			**12,561,000**	**(1,307,075)**	**15,806,925**

[1] Number of options issued on a post consolidation basis.

[2] Options issued pursuant to the Initial Public Offering for $0.01 per option.

[3] Options issued to eligible non- related parties pursuant to Aurora Employee Incentive Plan.

[4] Options issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at General Meeting on 12 June 2017.

[5] Options issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at General Meeting on 17 April 2018.

[6] Options issued pursuant to the Placement and SPP for $0.01 per option.

[7]1,292,075 fully paid ordinary shares were issued during the year (2017: 100,000) as a result of the exercise of Options.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO OFFICERS AND AUDITORS

The Company has entered into Deeds of Indemnity, Insurance and Access with each Director.

Under these deeds, the Company has undertaken, subject to restrictions in the Corporations Act, to:

a) Indemnify each Director from certain liabilities incurred from acting in that position under specified circumstances;
b) Maintain directors' and officers' insurance cover (if available) in favour of each Director whilst that person maintains such office and for seven years after the Director has ceased to be a Director;
c) Provide access to any Company records which are relevant to the Director's holding of office with the Company, for a period of seven years after the Director has ceased to be a director.

During the year, the Company paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all directors and the company secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be bought against the officers in their capacity as officers of the Company, and any payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against any liability as such by an officer or auditor.

NON-AUDIT SERVICES

There were no non -audit services provided during the financial year by the auditor.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 21 and forms part of this Directors' report for the year ended 30 June 2018.

Signed in accordance with a resolution of the Directors.

Mr David Budge
Managing Director
Dated this 21 August 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Aurora Labs Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**N G Neill**
21 August 2018	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30 June 18 $	30 June 17 $
Continuing operations			
Revenue	3(a)	**329,970**	237,995
Cost of sales		**(116,692)**	(154,062)
Other income	3(b)	**79,647**	52,255
Advertising		**(213,877)**	(155,232)
Research and development expenses	3(c)	**(1,321,085)**	(504,592)
Rent		**(347,794)**	(113,177)
Corporate expenses		**(811,870)**	(432,037)
Depreciation		**(158,899)**	(28,419)
Employee benefits		**(3,184,438)**	(2,044,314)
Employee share based payments (non-cash)	20	**(265,722)**	(1,084,984)
Other expenses	3(d)	**(1,053,214)**	(576,349)
Loss before income tax benefit		**(7,063,974)**	(4,802,916)
Income tax benefit	4	**1,532,717**	1,403,927
Loss for the year		**(5,531,257)**	(3,398,989)
Loss attributable to members of the Company		**(5,531,257)**	(3,398,989)
Other comprehensive income, net of income tax		**-**	-
Total comprehensive loss for the year		**(5,531,257)**	(3,398,989)

		cents	cents
Basic loss per share	5(d)	**9.13**	6.30
Diluted loss per share	5(d)	**9.13**	6.30

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	30 June 18 $	30 June 17 $
Assets			
Current Assets			
Cash and cash equivalents	7	**3,790,081**	5,249,614
Trade and other receivables	8	**1,807,024**	1,433,179
Inventories	9	**656,437**	509,402
Total Current Assets		**6,253,542**	7,192,195
Non-Current Assets			
Property, plant and equipment	10	**475,162**	357,081
Intangible assets	11	**510,137**	225,545
Total Current Assets		**985,299**	582,626
Total Assets		**7,238,841**	7,774,821
Liabilities			
Current Liabilities			
Trade and other payables	12	**555,184**	632,908
Other liabilities	12	**52,534**	242,108
Accrued annual leave	12	**184,481**	124,143
Total Liabilities		**792,199**	999,159
Net Assets		**6,446,642**	6,775,662
Equity			
Issued capital	5(a)	**15,232,021**	10,345,506
Reserves	5(c)	**1,513,206**	1,197,484
Accumulated losses		**(10,298,585)**	(4,767,328)
Net Equity		**6,446,642**	6,775,662

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2017	**10,345,506**	**1,197,484**	**(4,767,328)**	**6,775,662**
Equity issued during the year (net of share issue costs)	**4,886,515**	**315,722**	**-**	**5,202,237**
Loss for the year	**-**	**-**	**(5,531,257)**	**(5,531,257)**
Other comprehensive income for the year, net of income tax	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**(5,531,257)**	**(5,531,257)**
Balance as at 30 June 2018	**15,232,021**	**1,513,206**	**(10,298,585)**	**6,446,642**

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016	1,365,625	57,500	(1,368,339)	54,786
Equity issued during the year (net of share issue costs)	8,979,881	1,139,984	-	10,119,865
Loss for the year	-	-	(3,398,989)	(3,398,989)
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive loss for the year	-	-	(3,398,989)	(3,398,989)
Balance as at 30 June 2017	10,345,506	1,197,484	(4,767,328)	6,775,662

The accompanying notes form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	30 June 18 $	30 June 17 $
Cash flows from operating activities			
Payments to suppliers and employees		**(6,998,234)**	(4,130,484)
Receipts from customers		**306,050**	112,000
Refunds to customers		**(149,390)**	-
Interest Received		**89,839**	41,639
Income tax benefit		**1,052,717**	323,927
Net cash (used in) operating activities	7	**(5,699,018)**	(3,652,918)
Cash flows from investing activities			
Property, plant and equipment		**(283,629)**	(345,619)
Payments for intangible assets		**(300,357)**	(161,775)
Net cash (used in) investing activities		**(583,986)**	(507,394)
Cash flows from financing activities			
Proceeds from issue of shares (net of capital raising costs)		**4,825,309**	7,056,521
Net cash provided by financing activities		**4,825,309**	7,056,521
Net decrease in cash held		**(1,457,695)**	(2,896,209)
Cash and cash equivalents at the beginning of the year		**5,249,614**	2,353,226
Exchange rate adjustments		**(1,838)**	179
Cash and cash equivalents at the end of the year	7	**3,790,081**	5,249,614

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the financial statements for the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for Aurora Labs Limited ("Aurora" or the "Company") which has no subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

The principal activities of the Company during the year included the design and development of 3D metal printers, powders, digital parts and their associated intellectual property.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2018

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations issued but not yet adopted for the year ended 30 June 2018. As a result of this review the Directors have determined that the following Standards and Interpretations may have a material effect on Group accounting policies in future financial periods, namely:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases

The Company has elected not to early adopt these Standards and Interpretations.

AASB 15 Revenue from Contracts with Customers

Rendering of services

The Company provides installation services to customers. The Company recognises service revenue by reference to the stage of completion. Under AASB 15 the revenue allocated to the service will be recognised over time as the customer utilises the service. The impact to revenue and profit or loss for the current year is not material.

AASB 16 Leases

AASB 16 replaces the AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases-Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 removes the classification of leases as either operating leases or finance leases- for the lessee - effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a lease liability for the present value obligation and a 'right-of-use' asset. The right of use assets is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and deprecation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

This standard will primarily affect the accounting for the Company's operating leases. As at 30 June 2018, the Company has $267,493 of non-cancellable operating lease commitments relating to a property lease. The Company is considering the available options to account for this transition but the Company expects a change in reported earnings before interest, tax, depreciation and amortisation (EBITDA) and increase in lease assets and liabilities recognition. The lease standard is also expected a considerable impact on deferred tax balances. This will however be dependent on the lease arrangements in place when the new standard is effective. The Company has commenced the process of evaluating the impact of the new lease standard.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that also adopt AASB 15. A lessee can choose to apply the standard using a full retrospective or a modified retrospective approach.

(c) Statement of compliance

The financial report was authorised for issue in accordance with a resolution of the Directors on 21 August 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of intangibles with indefinite useful lives:

The Company determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the intangibles with indefinite useful lives are allocated.

Share-based payment transactions:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using internal valuation models in conjunction with the market price of the share-based payments.

(e) Segment reporting

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Aurora Labs Limited.

The Company operating segment has been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company operations and allocation of working capital.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being the design, development and manufacture of 3D metal printers and associated products and services for the year ended 30 June 2018 and the year ended 30 June 2017.

The revenues and results of this segment are those of the Company as set out in the statement of comprehensive income and the assets and liabilities of the Company are set out in the statement of financial position.

(f) Foreign currency translation

Both the functional and presentation currency of Aurora Labs Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued

All exchange differences in the financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(g) Revenue recognition
Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sale of goods
Revenue is recognised when all the following conditions are satisfied:
- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(h) Leases
Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Income tax
The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of tangible and intangible assets other than goodwill

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(m) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Inventories
Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(o) Property, plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on diminishing value basis using the following notes:

Plant and equipment	10% to 30%
Leasehold Improvements	Over the term of the lease

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:

Patents 20 years from application following grant of patent

(q) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(r) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Company.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(t) Share-based payment transactions

Equity settled transactions

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).
The Company has the following plan in place:

- the Employee Incentive Plan (EIP), which provides benefits to Directors and senior executives and is governed by the Employee Incentive Plan Rules.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by internal valuation using a Black-Scholes model, further details of which are given in Note 20.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, refer Note 5.

Cash settled transactions:
The Company also provides benefits to employees in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Company.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted, refer Note 20. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Going Concern

The financial report has been prepared on a going concern basis which is based on the realisation of the future potential of the Company's assets and discharge of its liabilities in the normal course of business.

As disclosed in the financial statements, the Company has incurred a net loss after tax for the year ended 30 June 2018 of $5,531,257 (2017: $3,398,989) and had net cash outflows from operating activities of $5,699,018 (2017: $3,652,918). As at 30 June 2018, the Company has a net current asset position of $5,461,343 (2017: $6,193,036).

The net current asset position as at 30 June 2018 includes the following:
- cash at bank of $3,790,081 (2017: $5,249,614);
- Income tax benefit receivable $1,560,000 (2017: $1,080,000);
- inventories of $656,437 (2017: $509,402)

The Directors consider that the Company is a going concern however current cash flow forecasts indicate that the Company will need to generate sufficient revenue from its operations or other sources to continue as a going concern. As the Company is in the formative stages of its business model there exists circumstances that give rise to a material uncertainty in relation to going concern.

Should the Company be unsuccessful in generating sufficient revenue from operations or additional sources of funding, there is a material uncertainty that may cast significant doubt as to whether the company will able to continue as a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notwithstanding the above, the Directors believe there are reasonable grounds to believe that the Company will be able to continue as a going concern after consideration of the following factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue and net cash flows which as has been documented in the Company's cash flow forecast for the period ending 30 September 2019;

- The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses;

- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved cash flow results, including proceeds from the expected exercise of existing options before their expiry at 31 December 2018; and

- The Directors and the business have a successful track record of capital raising and have the option of seeking further funding to support working capital and the R& D activities of the Company by way of equity capital.

The Directors are of the opinion that these factors will allow the Company to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Company's performance.

The Directors believe that the above indicators demonstrate that the Company will be able to pay its debts as and when they become due and payable and to continue as a going concern and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the company not continue as a going concern.

NOTE 2: SEGMENT REPORTING

The Company only operated in one segment, being design, development and manufacture of 3D metal printers and associated products and services for the year ended 30 June 2018 and the year ended 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: REVENUE AND EXPENSES

	30 June 18 $	30 June 17 $
(a) Revenue		
Sale of Goods	**329,970**	237,995
Total	**329,970**	237,995
(b) Other Income		
Interest received	**79,647**	52,255
Total	**79,647**	52,255
(c) Research and Development expenses*		
Consultancy fees	**251,266**	157,843
Consumables, design and engineering services	**1,069,819**	346,749
Total	**1,321,085**	504,592
(d) Other Expenses		
Freight and Courier	**117,398**	80,911
Insurance	**166,413**	59,465
Software	**75,380**	55,727
Travel	**235,887**	128,380
Bad debts written off	**56,489**	-
Payroll Tax	**149,428**	72,228
Other	**252,219**	179,638
Total	**1,053,214**	576,349

* Research and Development expenses relate to direct expenses only. It should be noted that a significant portion of Employee Benefits and Other Costs is considered eligible expenses for R&D tax claim purposes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: INCOME TAX

	30 June 18 $	30 June 17 $
(a) Income tax benefit	**1,532,717**	1,403,927
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) from ordinary activities	**(7,063,974)**	(4,802,916)
Income tax using the Company's tax rate of 27.5% (27.5% 2017)	**(1,942,593)**	(1,320,801)
Current period (loss) for which no deferred tax liability was recognised	**1,942,593**	1,320,801
Income tax benefit relating to Research and Development claim	**1,532,717**	1,403,927
Income tax benefit attributable to entity	**1,532,717**	1,403,927

(c) Unrecognised deferred tax

Tax losses for which no deferred tax asset has been recognised	30 June 18 $	30 June 17 $
Losses available for offset against future taxable income	**10,391,043**	4,859,786
Total	**10,391,043**	4,859,786
Potential tax benefits of 27.5% (27.5% 2017)	**2,857,537**	1,336,441

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 5: ISSUED CAPITAL

a) Ordinary Shares

	30 Jun 18 Number	30 Jun 18 $	30 Jun 17 Number	30 Jun 17 $
Movements in ordinary shares on issue				
Balance at beginning of the year	**57,900,000**	**10,345,506**	40,000,000	1,365,625
Shares issued	**7,699,271**	**5,389,803**	17,900,000	10,020,000
Sub total	***65,599,271***	***15,735,309***	*57,900,000*	*11,385,625*
Less share issue costs	**-**	**(503,288)**	-	(1,040,119)
Balance at end of year	**65,599,271**	**15,232,021**	57,900,000	10,345,506

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 5: ISSUED CAPITAL (continued)

b) Performance Shares

2017	Class A Number	Class B Number	Class C Number	Total Number
Movements in performance shares on issue				
Balance at beginning of year	6,300,000	7,087,500	7,612,500	21,000,000
Performance Shares issued	-	-	-	-
Total at end of year to 30 June 2017	6,300,000	7,087,500	7,612,500	21,000,000

2018	Class A Number	Class B Number	Class C Number	Total Number
Balance at beginning of year	**6,300,000**	**7,087,500**	**7,612,500**	**21,000,000**
Performance Shares redeemed and cancelled	**(6,300,000)**	**-**	**-**	**-**
Total at end of year to 30 June 2018	**-**	**7,087,500**	**7,612,500**	**14,700,000**

Performance Shares were all issued for nil consideration.

Performance Shares hold no rights over ordinary shares and do not receive any dividends, however convert to Ordinary Shares based on Company Milestones being achieved:

- A Class A Performance Share in the relevant class will convert into one Share upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$1,500,000 before 30 June 2017. On 7 July 2017, 6,300,000 Class A Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2017. Refer Aurora's announcement to ASX dated 14 July 2017 ('Release of Options from Escrow & other changes to Securities').
- A Class B Performance Share in the relevant class will convert into one Share upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$5,000,000 before 30 June 2018. On 12 July 2018, 7,087,500 Class B Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2018. Refer Aurora's announcement to ASX dated 12 July 2018 ('Changes to Company Securities and Appendix 3Y').
- A Class C Performance Share in the relevant class will convert into one Share upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$7,250,000 before 30 June 2019.

NOTE 5: ISSUED CAPITAL (continued)

c) Reserves

	30 June 18 $	30 June 17 $
Reserves		
Balance at beginning of year	**1,197,484**	57,500
Option Reserve	**315,722**	1,139,984
Balance at the end of the year	**1,513,206**	1,197,484

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 6 for further details.

d) Loss per share

	30 June 18	30 June 17
Total loss from continuing operations	**$5,531,257**	$3,398,989
Weighted number of average shares	**60,589,796**	54,013,973
Loss per share	**$0.091**	$0.063

e) Dividends

There were no dividends declared or paid in the year to 30 June 2018 or the period to 30 June 2017.

NOTE 6: COMPANY OPTIONS

	30 June 18 Number	30 June 18 $	30 June 17 Number	30 June 17 $
Company Options				
Balance at the beginning of the year	**12,561,000**	**1,197,484**	5,750,000	57,500
Options issued	**4,553,000**	**315,722**	6,911,000	1,139,984
Options exercised	**(1,307,075)**	-	(100,000)	-
Balance at the end of year	**15,806,925**	**1,513,206**	12,561,000	1,197,484

The following options were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Vesting date
Employee options	1,500,000	23 Nov 15	31 Dec 15	$0.20	$0.20	23 Nov 15
Employee options	4,250,000	10 May 18	31 Dec 15	$0.20	$0.20	31 Dec 15
Options issued under IPO prospectus	5,500,000	3 Aug 16	31 Dec 15	$0.20	$0.20	31 Dec 15
Employee Incentive Plan	225,000	22 Nov 16	30 Nov 19	$2.23	$0.29	22 Nov 16
Employee Incentive Plan	641,000	14 Mar 17	31 Mar 20	$3.00	$1.17	14 Mar 17
Employee Incentive Plan	255,000	12 Jun 17	30 Nov 19	$2.23	$0.29	12 Jun 17
Employee Incentive Plan	290,000	12 Jun 17	31 Mar 20	$3.00	$0.28	12 Jun 17
Employee Incentive Plan	40,000	12 Jul 17	30 Jun 20	$1.17	$0.26	12 Jul 17
Employee Incentive Plan	432,000	29 Aug 17	31 Aug 20	$0.79	$0.30	29 Aug 17
Employee Incentive Plan	50,000	3 Oct 17	30 Sep 20	$0.72	$0.23	3 Oct 17
Employee Incentive Plan	100,000	29 Nov 17	31 Jul 20	$0.95	$0.48	29 Nov 17
Employee Incentive Plan	45,000	29 Nov 17	31 Aug 20	$0.79	$0.45	29 Nov 17
Employee Incentive Plan	200,000	17 Apr 18	31 Jan 21	$1.08	$0.24	17 Apr 18
Placement	500,000	17 Apr 18	17 April 20	$1.00	-	17 Apr 18
Placement	3,686,000	17 Apr 18	17 Apr 20	$1.00	-	17 Apr 18

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. Share options issued prior to listing on the ASX have not been valued using the Black Scholes model.

NOTE 7: CASH AND CASH EQUIVALENTS

	30 June 18 $	30 June 17 $
Cash at hand and in bank	**1,990,081**	1,228,655
Term Deposits	**1,800,000**	4,020,959
Total	**3,790,081**	5,249,614

Cash at bank earns interest at floating rates based on daily deposit rates.

The Company did not engage in any non-cash financing activities for the year ended 30 June 2018.

Reconciliation to the Statement of Cash Flows:
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	30 June 18 $	30 June 17 $
Cash and cash equivalents	**3,790,081**	5,249,614
Total	**3,790,081**	5,249,614

Reconciliation of loss after tax to net cash outflow from operating activities:

	30 June 18 $	30 June 17 $
Loss for the year/period	**(5,531,257)**	(3,398,989)
Adjustment for non-cash income and expense items		
Depreciation	**158,899**	28,419
Equity settled share-based payments	**265,722**	1,084,984
Bad debt expenses	**56,489**	-
Change in assets and liabilities		
Increase in trade and other receivables	**(484,450)**	(1,342,274)
Increase in annual leave accrual	**60,338**	107,726
Increase in inventories	**(147,035)**	(405,504)
Decrease in trade and other payables	**(77,724)**	272,720
Net cash outflow from operating activities	**(5,699,018)**	(3,652,918)

NOTE 8: TRADE AND OTHER RECEIVABLES

	30 June 18 $	30 June 17 $
Bank guarantee	**92,959**	117,959
Accounts Receivable	**-**	61,361
GST	**33,712**	86,678
Advances to suppliers	**15,203**	10,979
Interest receivable	**2,702**	11,075
Other receivables	**57,777**	-
Income tax benefit receivable	**1,560,000**	1,080,000
Pre-paid expenses	**44,671**	65,127
Total	**1,806,024**	1,433,179

NOTE 9: INVENTORIES

	30 June 18 $	30 June 17 $
Stock on Hand	**228,025**	190,690
Raw materials – Powders at cost	**32,972**	15,107
Work in progress – Small Format Printers at cost	**395,440**	303,605
Total	**656,437**	509,402

Parts used in development were classified as research and development and expensed.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

(i)Carrying value

	Plant and Equipment $	Computers and Cameras $	Office Equipment $	Leasehold Improvements $	Total $
Cost	206,115	202,686	70,368	185,692	664,861
Accumulated depreciation and impairment	(26,130)	(60,944)	(9,780)	(92,845)	(189,699)
Carrying value as at 30 June 2018	**179,985**	**141,742**	**60,588**	**92,847**	**475,162**
Cost	131,656	125,220	34,538	96,477	387,891
Accumulated depreciation and impairment	(7,153)	(20,571)	(3,086)	-	(30,810)
Carrying value as at 30 June 2017	**124,503**	**104,649**	**31,452**	**96,477**	**357,081**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (continued)

(ii)Reconciliation

	Plant and Equipment $	Computers and Cameras $	Office Equipment $	Leasehold Improvements $	Total
Carrying value as at 1 July 2017	124,503	104,649	31,452	96,477	357,081
Additions	74,475	77,457	35,831	89,217	276,980
Depreciation expense	(18,993)	(40,364)	(6,695)	(92,847)	(158,899)
Balance at end of year	**179,985**	**141,742**	**60,588**	**92,847**	**475,162**
Carrying value as at 1 July 2016	6,550	2,593	3,630	-	12,773
Cost	124,606	121,956	29,688	96,477	372,727
Depreciation expense	(6,653)	(19,900)	(1,866)	-	(28,419)
Balance at end of year	**124,503**	**104,649**	**31,452**	**96,477**	**357,081**

NOTE 11: INTANGIBLES

(i) Carrying amount

Intangibles consist of patents lodged by the Company	**30 June 18 $**	**30 June 17 $**
Cost	**513,467**	225,545
Impairment (for lapsed or forfeited patents)	**(3,330)**	-
Balance at end of year	**510,137**	225,545

(ii) Reconciliation

Intangibles consist of patents lodged by the Company	**30 June 18 $**	**30 June 17 $**
Balance at the beginning of the year	**225,545**	59,947
Capitalised payments for patent related costs	**287,922**	165,598
Less impairment (for lapsed or forfeited patents)	**(3,330)**	-
Balance at end of year	**510,137**	225,545

Patents that have lapsed or are forfeited and are not rolled into a new patents have been impaired and moved to an expense in the year the patents lapsed/expired.

NOTE 12: FINANCIAL LIABILITIES

	30 June 18 $	**30 June 17 $**
Trade and other payables		
Accounts Payable	**320,478**	206,474
Other payables	**234,706**	426,434
Sub Total	***555,184***	*632,908*
Deferred Revenue - Deposits / pre-payments for Small Format Printers	**52,534**	242,108
Accrued annual leave	**184,481**	124,143
Total	**792,199**	999,159

NOTE 13: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 12 July 2018, 7,087,500 Class B Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2018. Refer Aurora's announcement to ASX dated 12 July 2018 'Changes to Company Securities'.

On 16 August 2018 32,260,696 Shares and 9,092,500 Unquoted options (exercisable at $0.20 and expiring 31 December 2018) were released from escrow.

Other than the above, there have been no other matters or circumstances which has arisen since 30 June 2018 that has significantly affected or may significantly affect:

a) Aurora Labs operations in future financial years; or
b) The results of those operations in future financial years; or
c) Aurora Labs state of affairs in future financial years.

NOTE 14: DIVIDENDS

The Directors of the Company have not declared any dividend for the year ended 30 June 2018 or the period ended 30 June 2017.

NOTE 15: COMMITMENTS

As at the balance date, the Company has a total of 7 Small Format Printers that were either: pre-sold at discount rates to various non-related parties as part of a crowd-funding initiative called "kickstarter"; or full price pre-sales in financial year ended June 2018. In total a liability of $52,534 is recognised on the statement of financial position which corresponds to funds received from these pre-sales.

The Company has an obligation to either a) deliver a commercial version of the pre-sold Small Format Printer for each pre-sold machine or b) if the Company is unable to deliver commercial Small Format Printers to cover the pre-sold machines then the funds received will have to be returned to the customers.

Lease Agreement

The Company leased a warehouse and office space at Unit 2, 79 Bushland Ridge Bibra Lake, Western Australia: The rental agreement commenced 1 June 2017 with an initial 24-month period that can be extended, there is a payment of $24,318 per month plus standard outgoings.

	30 June 18 **$**	**30 June 17** **$**
Lease commitments		
Not longer than 1 year	**267,493**	289,152
Longer than 1 year and shorter than 5 years	**-**	265,056
Total	**267,493**	554,208

NOTE 16: FINANCIAL INSTRUMENTS

a) Overview

The Company's principal financial instruments comprise receivables, payables and cash. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Company manages its exposure to key financial risks in accordance with the Company's risk management policy. Key financial risks are identified and reviewed annually, and policies are revised as required. The overall objective of the Company's risk management policy is to recognise and manage risks that affect the Company and to provide a stable financial platform to enable the Company to operate efficiently.

The Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Company's financial risks as summarised below.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	30 Jun 18 $	30 Jun 17 $
Cash and cash equivalents	**3,790,081**	5,249,614
Trade and other receivables	**1,807,024**	1,433,179
Total	**5,546,105**	6,682,793

Trade and other receivables are comprised primarily of advances to suppliers, bank guarantee, prepayments, interest receivable and GST refunds due. Where possible the Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

NOTE 16: FINANCIAL INSTRUMENTS (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2018	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	**555,184**	-	-	-	**555,184**
Deferred revenue	**52,534**		-	-	**52,534**
Accrued annual leave	**184,481**	-	-	-	**184,481**
Total	**792,199**		-	-	**792,199**

2017	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	**632,908**	-	-	-	**632,908**
Deferred revenue	**242,108**	-	-	-	**242,108**
Accrued annual leave	**124,143**	-	-	-	**124,143**
Total	**999,159**	-	-	-	**999,159**

d) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	30 Jun 18 $	30 Jun 17 $
Interest-bearing financial instruments		
Cash at bank and on hand	**1,990,081**	1,228,655
Term Deposits	**1,800,000**	4,020,959
Total	**3,790,081**	5,249,614

The Company's cash at bank and on hand and short-term deposits had a weighted average floating interest rate at year end of 1.97% (2017: 1.68%).

The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

NOTE 16: FINANCIAL INSTRUMENTS (continued)

Interest rate sensitivity

The Company considers that a 1% movement in interest rates would result in an immaterial impact on equity and the profit and loss.

e) Foreign Exchange Risk

The Company's has an exposure to foreign exchange rates given that the Company purchases parts as part of the manufacture process of the SFP from international suppliers. A fluctuation in foreign exchange rates may affect the cost base of the SFP. The Company is actively marketing the SFP to international customers in USD. If foreign exchange rates change this may make the SFP more or less price competitive with competitor's metal 3D printers. Given the Company is not yet in production it is too early to quantify the financial impact of foreign exchange risk.

f) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 17: CONTINGENT LIABILITIES / ASSETS

The Company had no contingent liabilities or assets as at the reporting date.

NOTE 18: KEY MANAGEMENT PERSONNEL

a) Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Directors ***Position***

KMP	Position	
David Budge	Managing Director	
Nathan Henry	Executive Director	
Mathew Whyte	Company Secretary; and Non-Executive Director	
Samantha Tough	Non- Executive Chairman	resigned 25 July 2017
Paul Kristensen	Non- Executive Chairman	appointed 22 January 2018
Mel Ashton	Non-Executive Director	appointed 22 January 2018

	30 Jun 18 $	30 Jun 17 $
b) Key Management Personnel Compensation		
Short-term employee benefits	**695,896**	553,450
Post- employment benefits	**47,283**	43,463
Share-based payments	**114,337**	213,226
Total compensation	**857,516**	810,139

NOTE 19: KEY MANAGEMENT PERSONNEL (continued)

c) Other Transactions

Mathew Whyte provided company secretarial services through a controlled entity Whypro Corporate Services. Payments for company secretarial services during the year totalled: $115,200 (2017: $70,400).

These items have been recognised as expenses in the Statement of Comprehensive Income.

NOTE 20: SHARE-BASED PAYMENTS

a) Recognised Share-based Payment Expense

From time to time, the Company provides incentive options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised:

	30 June 18 Number	30 June 18 $	30 June 17 Number	30 June 17 $
Expense arising from equity-settled share-based payment transactions	**867,000**	**265,722**	1,411,000	1,084,984
Net share based payment expense/(income) recognised in the profit or loss	**867,000**	**265,722**	1,411,000	1,084,984

b) Remaining Contractual Life

All Incentive Options outstanding at 30 June 2018 are able to be exercised prior to 31 January 2021, so there is 2.5 years remaining contractual life on all options as at the balance date (2017: 1.5 years).

c) Range of Exercise Prices

The exercise price of Incentive Options outstanding at 30 June 2018 are detailed in Note 6.

d) Weighted Average Fair Value

The fair value of all options issued during the year was $0.01 per option.

e) Option Pricing Model

The fair value of the equity-settled Company Options granted is estimated as at the date of grant using an internal valuation methodology taking into account the terms and conditions upon which the options were granted. In conjunction to the internal valuation model, the Board gave consideration to the market price for options being issued at arm's length during and since the end of the reporting date.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 21: AUDITORS REMUNERATION

	30 Jun 18 $	30 Jun 17 $
AUDITORS' REMUNERATION		
Amounts received or due and receivable by HLB Mann Judd for:		
• an audit or review of the financial report of the entity	**26,500**	24,500
• other services in relation to the entity	**-**	-
Total	**24,500**	24,500

DIRECTORS DECLARATION

1. In the opinion of the Directors of Aurora Labs Limited ("Aurora" or the "Company"):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

This declaration is signed in accordance with a resolution of the Board of Directors.

David Budge

____

David Budge
Managing Director
Dated this 21 August 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report to the Members of Aurora Labs Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Aurora Labs Limited ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

Key Audit Matter	**How our audit addressed the key audit matter**
Share Based payments Refer to Note 20	
During the financial year the Company issued unlisted options to Key Management Personnel and employees. We have considered this to be a key audit matter as where accounting for the transactions requires significant management judgement involving estimates that require a degree of estimation.	Our procedures included but were not limited to: - We evaluated management's process and key controls regarding share based payments; - Ensured that the treatment of the share-based payment arrangements entered into by the Company were consistent with the requirements of AASB 2 Share-based payment; and - Testing the inputs used in the calculation of the value of options.
Research and development expenditure Refer to Notes 1(p) and 3(c)	
During the current year, the Company incurred significant expenditure in relation to medium, large format printers and powder production unit. The Company is in the process of developing its 3D printer and powder production unit designs as it moves toward commercialisation of its various designs. We considered the accounting for this expenditure to be a key audit matter due to the complexity of determining an appropriate accounting policy and the high level of estimation required by management in assessing the stage of the process.	Our procedures included but were not limited to: - We evaluated management's process and key controls regarding research and development expenditure; and - We considered management's assessment of whether or not various expenditures met the definition for deferral as development expenditure under AASB 138 Intangible asset.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a

HLB Mann Judd

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 19 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Aurora Labs Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
21 August 2018

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

COMPANY SECURITIES

The following information is based on share registry information processed up to 16 August 2018.

Quoted Securities

There are two classes of quoted securities, being:

1. Fully paid ordinary shares (ASX: A3D);
2. Listed Options exercisable at $1.00 and expiring 17 April 2020 (ASX: A3DO).

1) Fully Paid Ordinary Shares

a) Distribution and spread of Ordinary shares

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	401	240,598
1,001 – 5,000	584	1,737,177
5,001 – 10,000	329	2,667,710
10,001 – 100,000	512	14,390,875
100,001 and over	67	46,562,911
Total	1,893	65,599,271

b) Marketable parcel

There are 428 shareholders with less than a marketable parcel (basis price $0.42).

c) Voting rights

All ordinary shares carry one vote per share without restriction. Options and Performance Shares do not carry any voting rights.

d) Substantial Shareholders

There was one substantial shareholder who has provided a Substantial shareholder notice, being David Budge, holding 23,946,785 fully paid ordinary shares, being 36.5% of the fully paid ordinary shares on issue.

e) On market buy-back

There is no on-market buy-back scheme in operation for the Company's quoted shares.

ASX ADDITIONAL INFORMATION (continued)

f) Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Shareholder Name / Entity	Number of Ordinary Shares	% of Issued Capital
1	David James Budge <Budge Family A/C>	23,946,785	36.50
2	Gasmere Pty Ltd	2,717,888	4.14
3	William McKenzie Crisp <Crispy Chip A/C>	1,436,415	2.23
4	Jessica C E Snelling <Snelling Fam A/C>	1,330,377	2.03
5	Citicorp Nom Pty Ltd	1,199,889	1.83
6	Peter Anthony	1,093,750	1.67
7	John Nathan Henry	832,151	1.27
8	Peterson MG & Wake SA <Hammer Fund A/C>	701,000	1.07
9	Theodore Lionel Chatz	700,000	1.07
10	Harry Hatch	688,000	1.05
11	Pabasa Pty Ltd <Kehoe Fam Super A/C>	593,750	0.91
12	Kacha Pty Ltd <Kacha Family A/c>	557,151	0.85
13	David R Parker	460,000	0.70
14	Anna Felicia Belton	460,000	0.70
15	Rodney Alan Brack	423,338	0.65
16	Anna Katherine Campbell	399,113	0.61
17	J P Morgan Nom Aust Ltd	390,855	0.60
18	Craig Ian Brown + JL Craig <Brown Super A/C>	350,000	0.53
19	Martin James Daley	266,074	0.41
20	Aileen & Arthur Budge <Budge Wolfe Fam A/c>	266,074	0.41
Total		**38,839,610**	**59.23**

2) Listed Options:

Exercisable at $1.00 and expiring 17 April 2020 (ASX: A3DO)

a) Distribution and spread of Listed Options

Category (Size of holding)	Listed Options	
	Option holders	Options
1 – 1,000	1	1,000
1,001 – 5,000	26	77,564
5,001 – 10,000	19	150,013
10,001 – 100,000	69	1,959,186
100,001 and over	6	1,498,237
Total	121	3,686,000

b) Marketable parcel

There are 19 option holders with less than a marketable parcel (basis price $0.12).

c) Top 20 security holders

The names of the twenty largest holders of Listed Options, the number of Options each holds, and the percentage of total issued Listed Options each holds is as follows:

Number	Option Holders Name / Entity	Number of Listed Options	% of Issued Options
1	LTL Cap Pty Ltd	440,625	11.95
2	Rodney Alan Brack	408,987	11.10
3	Harrison John Perkins	214,375	5.82
4	Simon William Tritton	158,000	4.29
5	Michael Benedict Cookson	150,000	4.07
6	Luke Kukulj	126,250	3.43
7	Shellcrest Holdings Pty Ltd <Greg Hocking Fam>	100,000	2.71
8	D Super Pty Ltd <BHK S/S A/C>	91,272	2.48
9	Kim Barbara Dowling	88,000	2.39
10	Ian Stuart Fisher	80,000	2.17
11	JDDD Super PL <DDJD S/F A/C>	68,586	1.86
12	Citicorp Nom PL	65,105	1.77
13	Spider Cap Ltd	62,500	1.70
14	HSBC Custody Nom Aust Ltd	62,500	1.70
15	Michelle Annette Solty	45,000	1.22
16	Lee Miller INV PL	43,750	1.19
17	Feltrim Past Co PL	42,500	1.51
18	Sunset River PL <Cushion SF A/C>	40,000	1.09
19	Feltrim Past CO PL <Simon Straughton Family>	36,875	1.00
20	Martin John Gardiner	35,625	0.97
Total		2,359,950	64.06

ASX ADDITIONAL INFORMATION (continued)

Unquoted Securities – Company Options and Performance Shares

There are two classes of unquoted securities, being:

1. Company Options: and
2. Performance Shares.

1a) Company Options – Exercisable $0.20/ Expiry 31 December 2018

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	1	500
1,001 – 5,000	5	22,500
5,001 – 10,000	3	30,000
10,001 – 100,000	13	547,425
100,001 and over	15	9,257,500
Total	37	9,857,925

1b) Company Options – Exercisable $2.23/ Expiry 30 November 2019

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	1	10,000
10,001 – 100,000	7	215,000
100,001 and over	2	255,000
Total	10	480.000

1c) Company Options – Exercisable $3.00/ Expiry 31 Mar 20

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	1	10,000
10,001 – 100,000	17	631,000
100,001 and over	2	290,000
Total	20	931,000

ASX ADDITIONAL INFORMATION (continued)

1d) Company Options – Exercisable $1.17/ Expiry 30 Jun 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	1	40,000
100,001 and over	-	-
Total	10	40,000

1e) Company Options – Exercisable $0.72/ Expiry 30 September 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	1	50,000
100,001 and over	-	-
Total	1	50,000

1f) Company Options – Exercisable $0.95/ Expiry 31 September 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	1	100,000
100,001 and over	-	-
Total	1	100,000

ASX ADDITIONAL INFORMATION (continued)

1f) Company Options – Exercisable $0.95/ Expiry 31 September 2020

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	1	100,000
100,001 and over	-	-
Total	1	100,000

1g) Company Options – Exercisable $1.08/ Expiry 31 January 2021

Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	2	200,000
100,001 and over	-	-
Total	2	200,000

2. Performance Shares - Class C

Distribution of unquoted Performance Shares Class C

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Category	Performance Shares Class C	
(Size of holding)	Shareholders	Shares
1 – 1,000	-	-
1,001 – 5,000	2	4,460
5,001 – 10,000	2	17,844
10,001 – 100,000	44	1,320,646
100,001 and over	5	6,269,550
Total	53	7,612,500

ASX ADDITIONAL INFORMATION (continued)

2b) Holders of more than 20% of unquoted Performance Shares (Class B & Class C)

Performance Shares Class C: David Budge owns 5,341,975 Performance Shares Class C which is equal to 70.2% of the Performance Shares Class C on issue.

PERFORMANCE SHARES

The Company provides the following information in relation to Performance Shares (ASX Code: A3DAJ):

1. Number of Performance Shares at the beginning of the financial year ended 30 June 2018 was 21,000,000, comprising:
   a) 6,300,000 Class A Performance Shares;
   b) 7,087,500 Class B Performance Shares; and
   c) 7,612,500 Class C Performance Shares.
2. Each Performance Share will convert into a fully paid ordinary shares (Shares), on a one-for-one basis, upon the satisfaction of the following milestones (Milestones):
   a) for Class A Performance Shares – upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$1,500,000 before 30 June 2017;
   b) for Class B Performance Shares – upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$5,000,000 before 30 June 2018; and
   c) for Class C Performance Shares – upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$7,250,000 before 30 June 2019.
3. If the relevant Milestone for a class of Performance Share is not achieved by the required date, then each Performance Share in that class will be automatically redeemed and cancelled by Aurora for the sum of $0.00001 within 10 business days of non-satisfaction of that Milestone.
4. None of the Performance Shares in any class were converted or cancelled during the year.
5. On 7 July 2017 6,300,000 Class A Performance Shares were automatically redeemed and cancelled as the relevant Milestone for their conversion was not satisfied by the required dated (i.e. by 30 June 2017). Refer Aurora's announcement to ASX dated 14 July 2017 ('Release of Options from Escrow & other changes to Securities').
6. Since the end of the financial year on 12 July 2018 7,087,500 Class B Performance Shares were automatically redeemed and cancelled as the relevant Milestone for their conversion was not satisfied by the required dated (i.e. by 30 June 2018). Refer Aurora's announcement to ASX dated 12 July 2018 ('Changes to Company Securities").
7. No Milestones were met during the financial year in review.

OTHER ASX INFORMATION

1. Corporate Governance

The Company's Corporate Governance Statement as at 30 June 2018 as approved by the Board can be viewed at www.auroralabs3d.com

2. Company Secretary

The name of the Company Secretary is Mathew Whyte.

3. Address and telephone details of the entity's registered administrative office and principle place of business:

Unit 2/ 79 Bushland Ridge
Bibra Lake WA 6163
Telephone: +61 (08) 9434 1934
Email: enquiries@auroralabs3d.com

ASX ADDITIONAL INFORMATION (continued)

4. Address and telephone details of the office at which a registry of securities is kept:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: (08) 9315 2333
Fax: (08) 9315 2233

5. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange under the code (ASX: A3D).

6. Review of Operations

A review of operations is contained in the Directors' Report.

7. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily design, development and manufacture of metal 3D printers and associated products and services.

The Company believes it has used its cash in a materially consistent manner to which was disclosed under the prospectus dated 9 June 2016.

8. Restricted Securities

The Company has no restricted securities as at the date of this report.