
AURORA LABS LIMITED

ACN 601 164 505

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at HLB Mann Judd, Level 4, 130 Stirling Street Perth WA 6000 on Thursday, 14 November 2024 at 10:00am (AWST).

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Shareholders may vote by directed proxy. Proxy forms for the meeting should be lodged before 10:00am (AWST) on Tuesday, 12 November 2024.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to enquiries@auroralabs3d.com by no later than 5:00pm (AWST) on Thursday, 7 November 2024.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9434 1934

AURORA LABS LIMITED

ACN 601 164 505

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Aurora Labs Limited (**Company**) will be held at HLB Mann Judd, Level 4, 130 Stirling Street Perth WA 6000 on Thursday, 14 November 2024 at 10:00am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 12 November 2024 at 4:00pm (AWST).

The Company advises that a poll will be conducted for all Resolutions.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2024, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: There is no requirement for Shareholders to approve these reports. Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

1 Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

'That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, Shareholders approve the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum.'

Note: The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above and either:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2 Resolution 2 – Election of Andrew Garth as Director

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

'That, pursuant to and in accordance with Listing Rule 14.4, clause 12.3(i) of the Constitution and for all other purposes, Andrew Garth, Non-Executive Director, appointed on 21 June 2024, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

3 Resolution 3 – Re-election of Ashley Zimpel as Director

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

'That, pursuant to and in accordance with Listing Rule 14.4, clause 12.3(c) of the Constitution and for all other purposes, Ashley Zimpel, Non-Executive Chairman, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

4 Resolution 4 – Issue of Options to Mr Grant Mooney

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 3,000,000 Options to Mr Grant Mooney (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Grant Mooney (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Grant Mooney or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Mooney or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5 Resolution 5 – Issue of Options to Mr Ashley Zimpel

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 1,000,000 Options to Mr Ashley Zimpel (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Ashley Zimpel (and/or his nominee(s)) and any other person who will obtain a material benefit

as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Ashley Zimpel or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Zimpel or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

6 Resolution 6 – Issue of Options to Mr Terry Stinson

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 1,000,000 Options to Mr Terry Stinson (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Terry Stinson (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Terry Stinson or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Stinson or his nominee(s) or any of his, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7 Resolution 7 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the issue of Equity Securities under Listing Rule 7.1A (except a benefit solely in the capacity of a holder of ordinary securities in the entity) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 7 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Facility. Accordingly, no Shareholders are excluded from voting on Resolution 7.

8 Resolution 8 – Section 195 Approval

To consider and, if thought fit, to pass, with or without amendment, as an **ordinary resolution** the following:

"That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 4 to 6 (inclusive)."

Dated: 24 September 2024

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "Grant Mooney". The signature is written in a cursive style with a large initial 'G' and 'M'.

Grant Mooney
Non-Executive Chairman and Company Secretary

AURORA LABS LIMITED
ACN 601 164 505

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Election of Andrew Garth as Director
Section 6	Resolution 3 – Re-Election of Ashley Zimpel as Director
Section 7	Resolutions 4 to 6 (inclusive) – Issue of Director Options
Section 8	Resolution 7 – Approval of 10% Placement Facility
Section 9	Resolution 8 – Section 195 Approval
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Director Options

A Proxy Form is located at the end of this Explanatory Memorandum.

2 Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

The Company advises that a poll will be conducted for all Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (AWST) on Tuesday, 19 November 2024, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolutions 1, 4, 5 and 6 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1, 4, 5 and 6, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolutions 1, 4, 5 and 6; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on Resolutions 1, 4, 5 and 6, but expressly authorises the Chair to exercise the proxy even if Resolutions 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2.3 Attendance at Meeting

Shareholders may vote by directed proxy rather than attend the Meeting in person (refer to Section 2.1 for further information).

If it becomes necessary or appropriate to make alternative arrangements to those detailed in the Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at <https://www.auroralabs3d.com/>.

3 Annual Report

In accordance with section 317(1) of the Corporations Act, the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report, which is available online at <https://www.auroralabs3d.com/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting (being no later than 5:00pm (AWST) on Thursday, 14 November 2024) to the Company Secretary at the Company's registered office.

4 Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Remuneration Report is detailed on pages 10 to 14 of the Annual Report and is available on the Company's website at <https://www.auroralabs3d.com/>.

The Remuneration Report details the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Remuneration Report did not receive a Strike at the 2023 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2025 annual general meeting, this may result in the re-election of the Board.

The Chair will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5 Resolution 2 – Election of Mr Andrew Garth as Director

5.1 General

Listing Rule 14.4 and clause 12.3(i) of the Constitution provide that a director appointed to fill a casual vacancy or as an addition to the board must not hold office, without re-election, past the next annual general meeting of the entity.

Clause 12.2(b) of the Constitution allows the Directors to appoint at any time a person to be a Director, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Clause 12.3(i) of the Constitution provides that a Director retiring from office under clause 12.3(i) is eligible for re-election.

On 21 June 2024, the Company announced the appointment of Mr Andrew Garth as a Director. Mr Garth was appointed by the Board as a Non-Executive Director.

Resolution 2 provides that Mr Garth retires from office and seeks re-election as a Director.

Details of the qualifications and experience of Mr Garth are detailed in the Annual Report.

If Resolution 2 is passed, Mr Garth will continue to be a Director.

If Resolution 2 is not passed, Mr Garth will cease to be a Director.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

5.2 Board Recommendation

The Board (excluding Mr Garth) supports the re-election of Mr Garth and recommends that Shareholders vote in favour of Resolution 2.

6 Resolution 3 – Re-election of Mr Ashley Zimpel as Director

6.1 General

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 14.4, clause 12.3(c) of the Constitution and for all other purposes for the re-election of Mr Ashley Zimpel as a Director.

In accordance with Listing Rule 14.4, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer.

Clause 12.3(c) of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one third (rounded down to the nearest whole number) to retire at each annual general meeting.

Clause 12.3(c) of the Constitution states that a Director who retires under clause 12.3(c) is eligible for re-election.

Resolution 3 provides that Mr Zimpel retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Zimpel are detailed in the Annual Report.

If Resolution 3 is passed, Mr Zimpel will continue to be a Director.

If Resolution 3 is not passed, Mr Zimpel will cease to be a Director.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

6.2 Board Recommendation

The Board (excluding Mr Zimpel) supports the re-election of Mr Zimpel and recommends that Shareholders vote in favour of Resolution 3.

7 Resolutions 4 to 6 (inclusive) – Issue of Director Options

7.1 General

Resolutions 4 to 6 (inclusive) seek Shareholder approval pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, to issue up to (in aggregate) 5,000,000 Options to certain Directors, being Mr Grant Mooney, Mr Ashley Zimpel and Mr Terry Stinson (and/or their respective nominee(s)) (**Director Options**) as follows:

- (a) 3,000,000 Options to Mr Grant Mooney (and/or his nominee(s)) pursuant to Resolution 4;
- (b) 1,000,000 Options to Mr Ashley Zimpel (and/or his nominee(s)) pursuant to Resolution 5; and
- (c) 1,000,000 Options to Mr Terry Stinson (and/or his nominee(s)) pursuant to Resolution 6.

The Director Options each have an exercise price of \$0.14 and expire three years from the date of issue. The terms and conditions of the Director Options are detailed in Schedule 2.

The Director Options will be granted as part of the remuneration of Messrs Mooney, Zimpel and Stinson. The Board considers that the grant of Director Options is a cost effective and efficient reward for the Company to appropriately incentivise the continued performance of Messrs Mooney, Zimpel and Stinson, and is consistent with the strategic goals and targets of the Company.

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Equity Securities to a related party. Messrs Mooney, Zimpel and Stinson are related parties of the Company by virtue of being Directors.

The issue of the Director Options does not fall within any of the exceptions to Listing Rule 10.11 and is therefore conditional upon Shareholder approval (which is being sought pursuant to Resolutions 4, 5 and 6).

Resolutions 4, 5 and 6 are ordinary resolutions.

The Chair intends to exercise all available undirected proxies in favour of 4, 5 and 6.

The Chair for Resolution 4 will not be Mr Grant Mooney.

7.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company to give a financial benefit to a related party, the public company or entity must:

- (a) obtain the approval of its shareholders in the manner detailed in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception detailed in sections 210 to 216 of the Corporations Act.

Messrs Mooney, Zimpel and Stinson are Directors and therefore are related parties of the Company for the purposes of section 208 of the Corporations Act.

There is no quorum of the Board capable forming the view that the exception for dealing on arm's length terms in section 210 of the Corporations Act applies, due to Messrs Mooney, Zimpel and Stinson having an interest in the outcome of Resolutions 4, 5 and 6. Accordingly, the Board has determined to seek Shareholder approval pursuant to section 208 of the Corporations Act for Resolutions 4, 5 and 6.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

The issue of Director Options to Mr Grant Mooney, Mr Ashley Zimpel and Mr Terry Stinson (and/or their respective nominee(s)) falls within Listing Rule 10.11.1), as Messrs Mooney, Zimpel and Stinson are related parties of the Company, and do not fall within any of the exceptions in Listing Rule 10.12. Therefore, it requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval to issue up to 3,000,000 Options to Mr Grant Mooney (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

Resolution 5 seeks the required Shareholder approval to issue up to 1,000,000 Options to Mr Ashley Zimpel (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

Resolution 6 seeks the required Shareholder approval to issue up to 1,000,000 Options to Mr Terry Stinson (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

If Resolution 4, 5 or 6 is passed, the Company will be able to proceed with the issue of the relevant Director Options to the relevant Director (and/or his nominee(s)).

If Resolution 4, 5 or 6 is not passed, the Company will not be able to proceed with the issue of the relevant Director Options to the relevant Director (and/or his nominee(s)). The Company may also consider alternative means to remunerate and incentivise the Directors.

7.4 Specific information required by Section 219 of the Corporations Act and Listing Rule 10.13

The following information in relation to Resolutions 4, 5 and 6 is provided to Shareholders for the purposes of section 219 of the Corporations Act and Listing Rule 10.13:

- (a) The Director Options will be issued to:
 - (i) Mr Grant Mooney (and/or his nominee(s)) pursuant to Resolution 4;
 - (ii) Mr Ashley Zimpel (and/or his nominee(s)) pursuant to Resolution 5; and
 - (iii) Mr Terry Stinson (and/or his nominee(s)) pursuant to Resolution 6.
- (b) Messrs Mooney, Zimpel and Stinson fall within Listing Rule 10.11.1 as they are Directors and therefore related parties of the Company.
- (c) The maximum number of Director Options to be issued to:
 - (i) Mr Grant Mooney (and/or his nominee(s)) is 3,000,000 Options, approval of which is sought pursuant to Resolution 4;
 - (ii) Mr Ashley Zimpel (and/or his nominee(s)) is 1,000,000 Options, approval of which is sought pursuant to Resolution 5; and
 - (iii) Mr Terry Stinson (and/or his nominee(s)) is 1,000,000 Options, approval of which is sought pursuant to Resolution 6.
- (d) The Director Options have an exercise price of \$0.14 each and will expire three years from the date of issue. The terms and conditions of the Director Options are detailed in Schedule 2.
- (e) The Shares to be issued on exercise of the Director Options will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (f) The Director Options will be issued no later than one month after the date of the Meeting.
- (g) The Director Options will be granted for nil consideration to incentivise the continued performance of Messrs Mooney, Zimpel and Stinson. The Director Options are cost effective and efficient reward for the Company to appropriately incentivise the continued performance of the Directors.
- (h) No funds will be raised by the issue of the Director Options as they are being granted for nil cash consideration.

- (i) As at the date of the Notice, the current remuneration package of Messrs Mooney, Zimpel and Stinson is as follows:

Director ¹	Cash salary and fees	Superannuation	Share-based payments	Total
Mr Grant Mooney ²	\$130,000	-	-	\$130,000
Mr Ashley Zimpel	\$ 5,000	-	-	\$55,000
Mr Terry Stinson	\$55,000	\$6,050	-	\$61,050

Notes:

- Based on the Company's annual report for the financial year ending 30 June 2024. Refer to the Company's annual report released on 23 August 2024 for further details.
- Grant Mooney's fees comprised company secretarial services totalling \$60,000 and non-executive director's fee of \$70,000.

- (j) The estimated value of the financial benefit provided to the Directors (based on the underlying Share price of \$0.059, being the closing price of a Share on ASX on 24 September 2024) is as follows:

Director	Number of Director Options	Value at \$0.059 per Share
Mr Grant Mooney	3,000,000	\$82,020
Mr Ashley Zimpel	1,000,000	\$27,340
Mr Terry Stinson	1,000,000	\$27,340

- (k) As at the date of the Notice, Messrs Mooney, Zimpel and Stinson have the following interests in the securities of the Company:

Director ¹	Shares	Options	Performance Rights
Mr Grant Mooney ²	4,939,395	1,969,697 ³	-
Mr Ashley Zimpel ⁴	167,391	-	-
Mr Terry Stinson ⁵	837,974	196,969 ⁶	-

Notes:

- Based on the Company's annual report for the financial year ending 30 June 2024. Refer to the Company's annual report released on 23 August 2024 for further details.
- If Resolution 4 is passed, Mr Mooney will have an interest in a further 3,000,000 Options.
- 1,969,697 Options exercisable at \$0.045 each and expiring on 22 December 2025.
- If Resolution 5 is passed, Mr Zimpel will have an interest in 1,000,000 Options.
- If Resolution 6 is passed, Mr Stinson will have an interest in a further 1,000,000 Options.
- 196,969 Options exercisable at \$0.045 each and expiring on 22 December 2025.

- (l) If all of the Director Options are converted into Shares (subject to Resolutions 4, 5 and 6 being passed) a total of 5,000,000 Shares will be issued. This would increase the number of Shares on issue from 363,637,652 (being the number of Shares on issue as at the date of the Notice) to 368,637,652 (assuming no further issues of Shares and no convertible securities vest or are exercised), which would result in a dilution of all other Shareholder's holding in the Company of approximately 1.37%.

- (m) The historical quoted price information for Shares for the last twelve months from the date of the Notice is as follows:

Shares	Price	Date
Highest	\$0.11	15 July 2024, 17 July 2024
Lowest	\$0.018	3 October 2023
Last	\$0.059	24 September 2024

- (n) The Director Options will be offered pursuant to offer letters pursuant to which Messrs Mooney, Zimpel and Stinson (and/or their respective nominee(s)) will, subject to their relevant Resolution 4, 5 or 6 being passed, be issued the relevant Director Options.
- (o) Mr Grant Mooney has an interest in Resolution 4 and therefore believes it inappropriate to make a recommendation.
- (p) Mr Ashley Zimpel has an interest in Resolution 5 and therefore believes it inappropriate to make a recommendation.
- (q) Mr Terry Stinson has an interest in Resolution 6 and therefore believes it inappropriate to make a recommendation.
- (r) A voting exclusion statement is included in the Notice for Resolutions 4, 5 and 6.
- (s) Other than the information above and otherwise detailed in the Notice, the Company believes there is no other information that would be reasonably required by Shareholders to pass Resolutions 4, 5 and 6.

7.5 Board Recommendation

The Board (excluding Mr Grant Mooney, due to his personal interest in Resolution 4) recommends that Shareholders vote in favour of Resolution 4.

The Board (excluding Mr Ashley Zimpel, due to his personal interest in Resolution 5) recommends that Shareholders vote in favour of Resolution 5.

The Board (excluding Mr Terry Stinson, due to his personal interest in Resolution 6) recommends that Shareholders vote in favour of Resolution 6.

8 Resolution 7 – Approval of 10% Placement Facility

8.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period (**15% Placement Capacity**).

Listing Rule 7.1A enables an Eligible Entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

An Eligible Entity for the purposes of Listing Rule 7.1A, is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market

capitalisation of approximately \$21.09 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 24 September 2024).

The Company is seeking Shareholder approval to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c)).

If Resolution 7 is passed, the Company will be able to issue Equity Securities under Listing Rule 7.1A up to 10% of its issued share capital over a 12 month period after the annual general meeting, in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 7.

8.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities, being Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of Shares on issue at the commencement of the relevant period:

(A) plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

(B) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

(I) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

- (II) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- (C) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (I) the agreement was entered into before the commencement of the relevant period; or
 - (II) the agreement was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
- (D) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or 7.4;
- (E) plus the number of partly paid ordinary shares that became fully paid in the relevant period; and
- (F) less the number of Shares cancelled in the relevant period.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% Placement Capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% Placement Capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 363,637,652 Shares and therefore has the capacity to issue:

- (i) 54,545,647 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 7, 36,363,765 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c)).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

8.3 Effect of Resolution

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% Placement Capacity under Listing Rule 7.1.

8.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.
- (d) The table also shows:
 - (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future

specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0295 50% decrease in Issue Price	\$0.059 Issue Price	\$0.118 100% increase in Issue Price
Current Variable A 363,637,652 Shares	10% Voting Dilution	36,363,765 Shares	36,363,765 Shares	36,363,765 Shares
	Funds raised	\$1,072,731	\$2,145,462	\$4,290,924
50% increase in current Variable A 545,456,478 Shares	10% Voting Dilution	54,545,647 Shares	54,545,647 Shares	54,545,647 Shares
	Funds raised	\$1,609,097	\$3,218,193	\$6,436,386
100% increase in current Variable A 727,275,304 Shares	10% Voting Dilution	72,727,530 Shares	72,727,530 Shares	72,727,530 Shares
	Funds raised	\$2,145,462	\$4,290,924	\$8,581,848

The table has been prepared on the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
- (ii) no Options or Performance Rights (including any Options or Performance Rights issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (iv) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
- (v) the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% Placement Capacity under Listing Rule 7.1;
- (vi) the issue of Equity Securities under the 10% Placement Facility consists only of Shares; and
- (vii) the issue price is \$0.059, being the closing price of the Shares on ASX on the last practicable date prior to the date of the Notice on 24 September 2024.

- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid on the earlier of:
- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
 - (ii) the time and date of the entity's next annual general meeting; or
 - (iii) the time and date that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards continued development, testing and printing services of the Micro Gas Turbine for defence applications, advancing the technology development of the Company's patented MCP printing technology, first production of the AL250 Printer and expanding the Company's print services business and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 3.10.3 and 7.1A.4 upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company and are likely to be sophisticated and professional investors.
- (j) In the 12 months preceding the date of the Meeting the Company issued a total number of 28,960,806 Equity Securities under Listing Rule 7.1A.2, which represents 11.8% of the total number of Equity Securities on issue at 14 November 2023, being 12 months prior to the date of the Meeting. Details of the issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting under Listing Rule 7.1A.2 are detailed below:

Date of Issue	30 April 2024
Ordinary Shares	28,960,806
Issue Price	\$0.03 (representing a 17% discount to the closing market price of Shares on the ASX on 17 April 2024).
Consideration	\$2,040,000 (before costs) As at the date of the Notice, the Company has used approximately \$1,000,000 of the proceeds from the issue of

	Equity Securities. These proceeds have been used towards further testing of the defence and aerospace focussed gas turbine, delivery of the AL250 Printer, , working capital and costs of the offer.
Issued to or basis of issue	Issued to new investors and existing shareholders identified by Oracle Capital Group.

- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2023 annual general meeting.
- (l) A voting exclusion statement is included in the Notice for Resolution 7.
- (m) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 7.

9 Resolution 8 – Section 195 Approval

9.1 General

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Messrs Mooney, Zimpel and Stinson have a material personal interest in the outcome of Resolutions 4 to 6 (inclusive).

In the absence of Resolution 8, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms Resolutions 4 to 6 (inclusive).

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 8 is an ordinary resolution.

The Chair intends to exercise all available undirected proxies in favour of Resolution 8.

9.2 Board Recommendation

The Board considers that, given the subject matter of Resolution 8, it would be inappropriate for the Board to make a recommendation to Shareholders on Resolution 8.

Schedule 1

Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

15% Placement Capacity has the meaning given in Section 8.1.

10% Placement Facility has the meaning given in Section 8.1.

10% Placement Period has the meaning given in Section 8.2(f).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2024.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Aurora Labs Limited (ACN 601 164 505).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Director Options has the meaning given in Section 7.1.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Entity has the same meaning as in the Listing Rules.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Option means an option which entitles the holder to subscribe for a Share.

Performance Right means a right to be issued a Share on the satisfaction of a specified vesting condition.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Strike has the meaning given in Section 4.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

Schedule 2

Terms and Conditions of Director Options

Entitlement

- 1 Each Option entitles the holder of that Option (**Holder**) to subscribe for one fully paid ordinary share (**Share**) in the capital of Aurora Labs Limited ACN 601 164 505 (**Company**) upon exercise, on and subject to these terms and conditions.

Exercise Price and Expiry Date

- 2 The exercise price is \$0.14 per Option (**Exercise Price**).
- 3 The Options will expire at 5:00pm (AWST) on the date that is three years from the date of issue (**Expiry Date**).

Exercise Period

- 4 Each Option is exercisable at any time prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

Notice of Exercise

- 5 The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the applicable Exercise Price for each Option being exercised.

Shares issued on exercise

- 6 Shares issued on exercise of the Options rank equally with the Shares on issue and will be free of all encumbrances, liens and third party interests.

Quotation of Shares

- 7 The Company will apply to the Australian Securities Exchange (**ASX**) for official quotation of the Shares issued upon the exercise of the Options.

Cashless exercise of Options

- 8 Subject to clause 9, the Holder may elect to pay the Exercise Price for each Option by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Holder will receive Shares to the value of the surplus after the Exercise Price has been set off.
- 9 If the Holder elects to use the Cashless Exercise Facility, the Holder will only be issued that number of Shares (rounded down to the nearest whole number) as is equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options.

O = Number the Options being exercised.

MSP = Market value of the Shares calculated using the volume weighted average of the Shares on ASX for the five (5) trading days immediately prior to (and excluding) the date of the Notice of Exercise.

EP = Exercise Price.

- 10 If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with clause 9) is zero or negative, then the Holder will not be entitled to use the Cashless Exercise Facility.

Timing of issue of Shares and quotation of Shares on exercise

- 11 Within five Business Days after the later of the following:
- (a) receipt of a Notice of Exercise together with payment of the Exercise Price for each Option being exercised; and
 - (b) when excluded information in respect of the Company (as defined in section 708A(7) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out above,

the Company will:

- (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (d) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with the Australian Securities and Investments Commission (**ASIC**) a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

Participation in new issues

- 12 A Holder who holds Options is not entitled to:
- (a) notice of, or to vote or attend at, a meeting of the shareholders;
 - (b) receive any dividends declared by the Company; or
 - (c) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

Adjustment for bonus issue of Shares

- 13 If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Adjustment for rights issue

- 14 If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$O' = O - \frac{E [P - (S + D)]}{N+1}$$

where:

- O' = the new Exercise Price of the Option.
- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

Adjustment for reorganisation

- 15 If there is any reconstruction of the issued share capital of the Company, the rights of the Holder may be varied to comply with the ASX Listing Rules that apply to the reconstruction at the time of the reconstruction.

Quotation of Options

- 16 The Company will not seek official quotation of any Options.

Options not transferable

- 17 The Options are not transferable.

Lodgement requirements

- 18 Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable'. The application for Shares on the exercise of the Options with the appropriate remittance must be lodged at the share registry of the Company.