

Aurora Labs Limited
ACN 601 164 505

Aurora | LABS

PROSPECTUS

Initial Public Offering

Share Offer

For the offer to the public of 14,000,000 Shares at an issue price of \$0.20 per Share to raise \$2,800,000, with the ability to accept oversubscriptions of up to an additional 3,500,000 Shares to raise up to an additional \$700,000.

Refer to Section 2.1 of this Prospectus for more information in respect of the Share Offer.

Option Offer

For the offer to the public of up to 5,500,000 Options at an issue price of \$0.01 per Option to raise up to \$55,000.

Refer to Section 2.2 of this Prospectus for more information in respect of the Option Offer.

Proposed ASX Code

Shares – A3D

Options – A3D0

Lead Manager

Alto Capital

(AFSL No. 279099)



IMPORTANT INFORMATION

This Prospectus and any accompanying Application Form contain important information and should be read in their entirety. If you have any questions about either Offer or this Prospectus, you should speak to your professional adviser. The Securities offered by this Prospectus should be considered as a speculative investment.



CORPORATE DIRECTORY



Directors

Paul Kehoe – Non-Executive Chairman
David Budge – Managing Director
John (Nathan) Henry – Executive Director
David Parker – Non-Executive Director
Hendrikus (Dick) Herman – Non-Executive Director

Company Secretary

David Parker

Registered Office

c/- Pascoe Partners
Level 2, 100 Havelock Street
West Perth, Western Australia 6005
Telephone: +61 8 9330 8435
Email: enquiries@auroralabs3d.com

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Investigating Accountant and Auditor

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

*Included for information purposes only.
This entity has not been involved in the
preparation of this Prospectus.

Lead Manager

Alto Capital
Ground Level, 16 Ord Street
West Perth, Western Australia 6005
AFSL No. 279099

Solicitors to the Offers

Jackson McDonald
Level 17, 225 St Georges Terrace
Perth, Western Australia 6000

Patent Attorney

Lord & Company
4 Douro Place
West Perth, Western Australia 6005

Proposed ASX Code

Shares – A3D
Options – A3DO **

Website

www.auroralabs3d.com/

**Subject to ASX quotation conditions being satisfied.

Cover photos

1. S-Titanium Pro prototype printing honeycomb.
2. S-Titanium Pro print head.
3. S-Titanium Pro (SFP)

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IMPORTANT NOTICE



1. Prospectus

This Prospectus is dated 9 June 2016 and was lodged with the ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Aurora will apply to ASX within 7 days following the Prospectus Date for the Shares offered by this Prospectus to be listed for quotation by ASX. Aurora will not apply for quotation of the Options offered by this Prospectus unless and until the requirements of ASX Listing Rule 2.5 are satisfied.

Aurora will not issue any Offer Securities on the basis of this Prospectus later than 13 months after the Prospectus Date.

Before applying for Offer Securities under this Prospectus, potential investors should carefully read this Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Offer Securities (including in the case of Options, the underlying Shares);
- in the case of Options Aurora's capacity to issue or deliver the underlying Shares;
- the assets and liabilities of Aurora; and
- Aurora's financial position, performance and prospects.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Offer Securities the subject of the Offers should be considered highly speculative.

Aurora has not authorised any person to give any information or make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by Aurora or the Directors.

2. Exposure Period

This Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC pursuant to the Corporations Act. ASIC may extend this period by a further 7 days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in the Prospectus, and in such circumstances, any Applications received during the Exposure Period may need to be dealt with in accordance with section 724 of the Corporations Act.

The Prospectus will be available online at Aurora's website, www.auroralabs3d.com/, or in hard copy upon request during the Exposure Period. Applications received during this time will not be processed until after the expiration of the Exposure Period and preference will not be conferred on such Applications.

3. Electronic Prospectus

This Prospectus may be viewed in electronic form at www.auroralabs3d.com/ by Australian investors only. If you receive the electronic form of the Prospectus you should ensure that you download and read the entire Prospectus. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Periods by calling the Share Registry. The information on Aurora's website, www.auroralabs3d.com/, does not form part of this Prospectus.

4. Applications

Applications for Offer Securities may only be made on printed copies of an Application Form attached to or accompanying the Prospectus. The Corporations Act prohibits any person from passing an Application Form to any other person unless it is attached to, or accompanied by, a hard copy of the Prospectus or a complete and unaltered electronic copy of the Prospectus.

The Application Forms included in this Prospectus may only be distributed if it is included in, or accompanied by, a complete and unaltered copy of this Prospectus. Each Application Form contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form. Aurora reserves the right not to accept a completed Application Form if it has reason to believe that the Applicant has not received a Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

5. Privacy

If you apply for Offer Securities, you will provide personal information to Aurora and the Share Registry. Aurora and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. Corporate and taxation laws require Aurora to collect some personal information. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

6. Offer Restrictions

Aurora has not taken any action to register or qualify Offer Securities or the Offers, or otherwise to permit a public offering of Offer Securities, in any jurisdiction outside Australia.

The distribution of this Prospectus (including in electronic form) in jurisdictions outside Australia may be restricted by law and therefore persons outside Australia who obtain this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

Residents of the United States of America

The Offer Securities have not been, and will not be, registered under the US Securities Act of 1993 as amended (**US Securities Act**), and may not be offered, sold or resold:

- in the United States or to, or for the account or benefit of US Persons (as defined in Rule 902 under the US Securities Act) except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws; and
- outside the United States, except to non-US persons in offshore transactions in compliance with Regulation S under the US Securities Act.

Residents of the United Kingdom

If you have received this Prospectus and you are a resident in the UK, the content of this Prospectus has not been approved by an authorised person within the meaning of the Prospectus Directive (Directive 2003/71/EC) or as a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 of the UK. This Prospectus is not a prospectus for the purposes of the Prospectus Directive.

If you are considering engaging in any investment activity, you should seek appropriate independent financial advice and make your own assessment. It is emphasised that this Prospectus is being provided to you in reliance upon your acknowledgement and acceptance that this Prospectus is being made to and directed solely at persons in the UK who are reasonably believed to be of a kind described in Article 19(5) (Persons having professional experience in matters relating to investment) or Article 49(2)(a)-(d) (High net worth companies, unincorporated associations, etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended), and persons who are otherwise permitted by law to receive it (all such persons together being referred to as **Relevant Persons**). This Prospectus must not

IMPORTANT NOTICE



be acted upon or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will only be engaged in with such persons. Any recipient of this Prospectus who is not a Relevant Person should return it to Aurora immediately and not take any other action.

Residents of Singapore

This Prospectus has not been registered with the Monetary Authority of Singapore. This Prospectus and any other materials in connection with the offer or sale, solicitation or invitation for subscription, or purchase of Offer Securities may not be circulated or distributed, nor may the Offer Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore, other than to the following (each an **Exempt Investor**):

- to an 'institutional investor' under section 274 of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**);
- to a 'relevant person' pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and, in each case, in accordance with the conditions specified in section 275 of the SFA; or
- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Offer Securities are subscribed for or purchased, and if you are an Exempt Investor, you are subject to restrictions on transferability and re-sale. The Offer Securities may not be transferred or re-sold in Singapore, except as permitted under the SFA. By accepting this Prospectus, you agree to be bound by the disclaimers, limitations and restrictions described herein.

This Prospectus is distributed in connection with an offer of Offer Securities in Singapore that will not be issued to any person other than a person to whom this Prospectus is sent with the consent of Aurora. A person receiving a copy of this document in Singapore may not treat the same as constituting an invitation to that person unless such an invitation could lawfully be made to them without compliance with any registration or legal requirements, or where such registration or legal requirements have been complied with.

Residents of Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offers. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been registered in Hong Kong and it has not been approved by the Securities and Futures Commission of Hong Kong under the Securities and Futures Ordinance (Chapter 571) of Hong Kong (**SFO**). This Prospectus and any other materials in connection with the offer or sale, solicitation or invitation for subscription, or purchase of Offer Securities may not be circulated or distributed, nor may the Offer Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Hong Kong, other than to the following:

- to a 'professional investor' under the SFO;
- in circumstances which will not result in the Prospectus constituting a 'prospectus' under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

By accepting this Prospectus, you agree to be bound by the disclaimers, limitations and restrictions described herein. Forward-Looking Statements

7. Forward-Looking Statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the Prospectus Date, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside of Aurora's control.

Accordingly, Aurora and the Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, other than by lodgement of a replacement or supplementary prospectus during the Offer Periods if required by law, Aurora may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

8. No Prospective Financial Forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170. Aurora will use the proceeds of the Offers amongst other things to further research and to develop its 3D metal printer technology and designs. Given Aurora is an early stage company which has not commercialised its 3D metal printer technology and designs, reliable forecasts of any possible revenue and expenses cannot be prepared and accordingly the Directors have not included forecasts in this Prospectus.

9. Canals Information

The industry and market data in the Canals Industry Report represents Canals' research opinions and best estimates based on the information available to it at the time of publication, not the Prospectus Date. The information represents Canals' interpretation and analysis of information generally available to the public or released by responsible individuals in the subject businesses, but is not guaranteed as to accuracy or completeness. It does not contain information provided to Canals in confidence by the industry. The forward-looking statements and estimates in the Canals Industry Report should not be relied upon as statements of fact. The opinions, forward-looking statements and estimates are subject to change.

10. Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses the Prospectus or its content. Diagrams are illustrative only and may not be drawn to scale. The people and assets depicted in photographs in this Prospectus are not employees or assets of Aurora unless specifically stated.

11. Meaning of Terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 13.

References to "our", "us" and "we" are references to Aurora.

References to "I", "you" and "your" are references to the Applicant.

12. Currency

References to "\$", "A\$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

References to "US\$" are references to United States currency, unless otherwise stated.

13. Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

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KEY OFFER INFORMATION



Indicative Timetable

Event	Target Date ¹
Lodgement of Prospectus with ASIC	9 June 2016
Expiry of Exposure Period / Opening Date of the Offers	16 June 2016
Closing Date of the Offers	12 July 2016
Issue of Offer Securities under the Offers	19 July 2016
Despatch of Holding Statements	25 July 2016
Offer Securities commence trading on ASX ²	1 August 2016

Notes:

1. These dates are indicative only and subject to change. Aurora, acting in consultation with the Lead Manager, may vary these dates without notice, including whether to close an Offer early, extend an Offer, or accept late Applications, either generally or in particular cases, without notification. If you wish to submit an Application and subscribe for Offer Securities under the Offers, you are encouraged to do so as soon as possible after the Offers open as the Offers may close at any time without notice. The Opening Date will be affected by any extension of the Exposure Period.
2. The quotation of Options offered under this Prospectus is subject to the ASX quotation conditions for the Options being satisfied, failing which they will remain an unquoted class of Securities.

Key Offer Details

Offer	Minimum Subscription (\$2,800,000)	Maximum Subscription (\$3,555,000)
Share Offer		
Price per Share under the Share Offer	\$0.20	\$0.20
Shares offered under the Share Offer	14,000,000	17,500,000
Cash proceeds of the Share Offer (before costs)	\$2,800,000	\$3,500,000
Option Offer		
Price per Option under the Option Offer	\$0.01	\$0.01
Options offered under the Option Offer	5,500,000	5,500,000
Cash proceeds of the Option Offer (before costs)	Nil	\$55,000

CHAIRMAN'S LETTER



Dear Investor,

On behalf of Aurora's Board of Directors, it is my pleasure to invite you to participate in the Offers and become a security holder in Aurora as part of its process to seek admission to ASX.

The business

3D printing technologies have been in existence since the late 1980's and the industry has been evolving rapidly since then. Today, 3D printing is a common technology used by many different companies across a broad spectrum of industries. However, the existing 3D metal printing technology currently available to the market has not enabled cost effective large scale industrial manufacturing of metal parts.

Aurora has developed (and continues to develop) innovative proprietary technologies for 3D metal printing which we consider have the potential to effect significant change to the industry. These technologies have led to the development of a small format 3D metal printer and are the basis for Aurora's development of a medium format and a large format 3D metal printer.

Commercial production of the S-Titanium range of small format printers (**SFPs**) is expected to commence before the end of calendar year 2016. The SFPs are competitive on a cost basis. They are currently intended to retail for under US\$50,000 compared to existing 3D metal printers on the market which traditionally retail for upwards of US\$200,000.

The Europa medium format printer (**MFP**) and Titan large format printer (**LFP**) share core technologies that are in the proof-of-concept phase¹. Aurora is targeting the development of a working prototype MFP before the end of calendar year 2016, with development of an LFP working prototype intended to follow 6 to 12 months later. The LFP is designed to print up to one tonne of metal parts in 24 hours, which is believed to be approximately 100 times faster than existing 3D metal printers currently on the market.

Section 3 of this Prospectus contains further information in relation to Aurora and its business.

The industry

3D printing was named in a report by Goldman Sachs titled "The Search for Creative Destruction" as one of the eight disruptive themes that investors should pay attention to.

The 3D metal printing market is one of the fastest growing additive manufacturing sectors. PwC conducted a survey of over 100 leading US manufacturing companies which indicated that two-thirds of these top firms already utilise 3D printing in some way – from experimenting with the technology to making final products.³

Global technology market analyst firm Canalis estimates that the overall 3D printing industry was worth approximately US\$5 billion in 2015 and has historically displayed between 30% and 40% compound annual growth rate.⁴

The team

The Board of Aurora comprises an impressive group of people, all of which have a wealth of relevant experience in a number of different sectors. The executive is led by David Budge, Aurora's co-founder and Managing Director, who has extensive knowledge and experience in robotics, welding and materials science and in a previous role was responsible for finding creative solutions for clients in relation to significant fabrication and engineering problems. Working with Mr Budge is Executive Director, John (Nathan) Henry, who has over 28 years' experience in sales, marketing, product development and business development with global high tech surface engineering and laser cladding companies. In addition to the executive team, the Board comprises Hendrikus (Dick) Herman, David Parker and myself, who complement the technical side of Aurora's business with combined expertise in the legal and accounting industries, and in the area of corporate development.

¹See explanation of 'proof-of-concept' in Section 13.2.

²Robert D. Boroujerdi, *The Search for Creative Destruction* (7 April 2013), Goldman Sachs Equity Research (24 March 2014), <<http://www.goldmansachs.com/investor-relations/financials/archived/annual-reports/2013-annual-report-files/search.pdf>>.

³Alan Earls and Vinod Baya, *The road ahead for 3-D printers* (2014), PwC Technology Forecast: The future of 3-D printing (Issue 2, 2014), <<http://www.pwc.com/us/en/technology-forecast/2014/3d-printing/features/assets/pwc-3d-printing-prototyping-finished-products.pdf>>.

⁴Canalis Article; Wohlers Report.

CHAIRMAN'S LETTER



Aurora's Board is accompanied by a highly experienced senior management team of Jessica Snelling, a co-founder and Printer Development Engineer, Rob Brown, who is in charge of Aurora's design and modelling, and Rob Buys who is Aurora's Production Manager. I have been very impressed with the energy, drive and determination of this young and extremely talented team.

Unlike many IPO's coming to the market, none of the Directors or management team is selling a single Share as part of the IPO. The majority of Shares will be held or controlled by Directors and key management following its listing on ASX, assuming the minimum subscription is raised and the Directors participate in the Offers as per Section 11.9.

Key risks

Notwithstanding our excitement to be able to offer you this opportunity, like any investment, an investment in Aurora is subject to a range of risks. Section 7 of the Prospectus contains details of these key risks. I urge you to take your time to read and consider these risks closely. You should take the opportunity to discuss these risks with your financial advisor if you require.

The Offers

Aurora is seeking to raise a minimum of \$2,800,000 (before costs) with oversubscriptions of up to an additional \$700,000 (before costs) from the Share Offer, and up to a further \$55,000 (before costs) from the Option Offer. The funds are primarily being raised to move the SFPs into commercial production, enable the development of a working prototype of both an MFP and an LFP, as well as for general working capital and expenses of the Offers.

Section 2 of the Prospectus contains details about the Offers and how you can apply.

Please read the Prospectus

I encourage you to read the Prospectus in full and carefully consider the information contained within it before making your investment decision. The Prospectus contains detailed information about Aurora, the 3D printing industry, the Board and management team and the Securities that are being offered. Again, please seek advice if you are unsure about any of this information.

I will personally be investing in the Offers.

We very much look forward to welcoming you as a Shareholder or Option Holder in Aurora.

Yours sincerely,

Paul Kehoe
Chairman

INVESTMENT OVERVIEW



Topic	Summary	Further Information
Prospectus		
Who is the issuer of this Prospectus?	Aurora Labs Limited (ACN 601 164 505), referred to as “Aurora” in this Prospectus.	
What is the purpose of this Prospectus and the Offers?	<p>The purpose of this Prospectus is:</p> <ul style="list-style-type: none"> to make the Offers to existing and prospective new investors and raise up to \$3,555,000 (before costs); to satisfy the requirements for the admission of Aurora to the Official List of ASX which will enable efficient trading of Aurora’s Securities, as well as to increase access to additional future funding after the Offers; and to position Aurora to meet its business objectives, being primarily to provide funding to facilitate the further development and commercialisation of Aurora’s 3D metal printers. 	Section 2.3
Business Model		
What does Aurora do?	<p>Overview</p> <p>Aurora is an industrial technology and innovation company that specialises in the development of 3D metal printers and the supply of associated consumable materials for 3D metal printing.</p> <p>3D printing is an additive manufacturing process that involves translating a computer-aided design (CAD) digital model into a solid three-dimensional object, achieved by successively layering materials in a particular pattern to build up the required three-dimensional shape.</p> <p>Aurora is also in the early stages of developing secondary business units including 3D printing related software and the manufacture of consumable materials used in 3D metal printing, which are intended to complement its printer manufacturing business.</p> <p>Small Format Printers – pre-production</p> <p>Aurora currently manufactures two models of SFP, the S-Titanium and S-Titanium Pro. These are affordable 3D metal printers which are currently in the Beta Testing (see Section 3.3) and pre-production phase. Aurora has received significant interest from prospective customers in relation to these models and has taken pre-sales for both.</p> <p>Medium Format Printer – in development</p> <p>The core technologies to be utilised in Aurora’s Europa MFP are currently in the proof-of-concept phase. This model shares the technologies with the LFP. Aurora aims for the MFP to operate at a similar speed to the LFP but on a smaller scale. A working prototype MFP is being constructed as at the Prospectus Date.</p> <p>Large Format Printer – in development</p> <p>As with the MFP, the core technologies to be utilised in Aurora’s Titan LFP are currently in the proof-of-concept phase. This model is intended to have a significantly faster printing capability to the comparable 3D metal printers currently on the market, with the potential to enable 3D metal printing to compete on cost with the traditional metal casting and fabrication methods of manufacture. The LFP is being designed to produce one tonne of metal parts in 24 hours, which is believed to be approximately 100 times faster than existing 3D metal printers currently on the market. Aurora intends to use the MFP prototype to develop a working prototype LFP as the machines will operate using substantially the same technology.</p> <p>Consumable materials</p> <p>Aurora procures and supplies consumable materials for use with 3D metal printers, such as metal and cermet powders.</p>	Section 3



Topic	Summary	Further Information
What is Aurora's business model and strategy?	<p><i>Current business strategy and operations</i></p> <p><u>Overview</u></p> <p>Aurora's business currently focuses on the design, development, manufacture and sale of its range of 3D metal printers.</p> <p>Aurora's business model:</p> <ul style="list-style-type: none"> • targets the price sensitive smaller segment of the market; and • intends to target the high-end, high-production volume segment of the market which requires high accuracy and high speed operation. <p>Focusing on two different target markets is intended to diversify Aurora's market risk profile.</p> <p><u>Price sensitive market</u></p> <p>Aurora's SFPs are intended to address demand for an affordable 3D metal printer in the price sensitive segment of the market. These models have been benchmarked against known criteria from existing 3D metal printers. Many existing printers on the market are comparatively expensive.</p> <p>Aurora is focusing on providing a 3D metal printer that is attractive to customers such as universities, schools, teaching institutions and plastic 3D printing bureaus that are looking to increase their range of offerings.</p> <p>The current prices for the SFPs range between US\$39,999 and US\$42,999 (excluding GST and shipping costs).</p> <p>Aurora has already secured 31 pre-sales for SFPs at the Prospectus Date.</p> <p><u>High-end market</u></p> <p>On the opposite end of the spectrum, Aurora's MFP and LFP are targeted at industrial and manufacturing businesses. Both of these models are in the proof-of-concept phase.</p> <p>The MFP is ultimately intended to be used as a development tool for customers that are intending to use the LFP when it is fully developed, and as a standalone product for smaller industrial customers. It will utilise essentially the same technology as the LFP but on a smaller scale.</p> <p>The LFP is intended to be Aurora's flagship product and is being developed to meet the needs of larger scale industrial manufacturing businesses. It is expected to enable the cost effective manufacture of high quality and precision parts (e.g. for the aviation and medical implant⁵ industries) and also to enable high volume manufacturing of more common items for which existing 3D metal printers would be cost prohibitive, such as mining and industrial applications. The Board considers that the LFP therefore has potential application in a diverse range of industries.</p> <p>A key aspect of the LFP is a targeted higher speed of printing. The LFP is intended to enable cost effective printing of unusual shapes that are difficult or impossible to manufacture using traditional subtractive manufacturing techniques. Optimal designs are intended to result in increased strength and mass reduction as well as being able to improve desirable characteristics such as corrosion and wear resistance.</p> <p>Aurora intends to use funds raised from the Offers to progress development and commercialisation of the MFP and LFP. Please see Section 2.4 for further details.</p>	Section 3.4

⁵The use of 3D metal printed parts in relation to medical implants may be subject to local legal and regulatory approvals in jurisdictions where such medical implants may be used.

INVESTMENT OVERVIEW



Topic	Summary	Further Information
What is Aurora's business model and strategy?	<p><i>Future business development</i></p> <p>In addition to its 3D metal printer business, Aurora intends to develop its 3D metal printer software and printing consumables business units. The Board considers that these units are complementary to Aurora's primary business unit and assist to mitigate the risks from future technological advancements in competitors' 3D metal printers.</p> <p><u>Software</u></p> <p>Aurora is currently developing print control and rights management software for use in its range of 3D metal printers. It is intended to enable the printing and certification of original equipment manufacturers' (OEM) parts to a manufacturer's specified dimensional, metallurgical and structural tolerances by cross-checking the print design against a design database. The parts produced are designed to be marked as certified with a serial number that can then, if desired by the customer, be printed onto the part for a permanent record and audit trail. Aurora views the software as having the greatest application in relation to the MFP and LFP due to their targeted higher speed operation and production capacity.</p> <p>Aurora considers that such software will address a key requirement of OEMs in relation to maintaining control of their intellectual property rights, trade secrets and quality standards, whilst enabling printer users to access the OEMs' designs. This level of control is anticipated to be very attractive to the OEMs who may wish to utilise the software on other printing or production systems. The possibility of licensing the software to other 3D printer manufacturers may also be explored.</p> <p>Aurora is also considering the feasibility of developing a web-based platform which will facilitate downloadable designs for parts or components from OEMs on a 'pay-per-print' basis. It is proposed that this be developed as part of Aurora's rights management and certification software.</p> <p><u>Consumable materials</u></p> <p>Aurora currently supplies 3D metal printing consumable materials procured from third party suppliers. It intends to supply consumable materials to customers who purchase Aurora printers.</p> <p>Aurora is currently investigating the feasibility of establishing a pilot plant based on internally developed technology to manufacture its own consumable materials, such as metal and cermet powders, to sell to customers of its machines and others on an ongoing basis. It is also exploring the development of technology with third parties for the possible manufacture of low cost consumables.</p> <p>The consumable materials market will complement Aurora's targeted MFP and LFP customers and has the potential to provide a key source of on-going revenue for Aurora.</p>	Section 3.4
Has Aurora patented its 3D metal printing technology?	<p>Aurora has filed provisional patent applications in relation to various innovative aspects of its technology, both in regard to 3D metal printing and its associated rights management and certification software.</p> <p>The patent applications seek patent protection in Australia and Aurora has also applied for protection through the Patent Cooperation Treaty (PCT) process.</p> <p>Aurora will need to select the PCT member jurisdictions outside of Australia in which it will seek patent protection. As at the Prospectus Date, Aurora intends to seek patent protection in the United States of America, the European Union and Japan, but is also considering additional countries.</p> <p>Details of these patent applications and the technology to which they apply are set out in the Patent Attorney's Report.</p>	Section 8

INVESTMENT OVERVIEW



Topic	Summary	Further Information
<p>What are Aurora's key dependencies?</p>	<p>Aurora (including its technology) is in the early stages of its development. Accordingly, its business is largely dependent upon:</p> <ul style="list-style-type: none"> • successful development of its 3D metal printers (particularly the LFP) through to a production stage; • successful development and implementation of its print control and rights management software; • ongoing product advancement and new product development to ensure that Aurora is competitive in the 3D metal printing market; • the grant of Aurora's patent applications in the jurisdictions to which they pertain (see Section 8); and • maintaining key technical personnel. 	<p>Sections 3 and 7</p>
<p>Investment Highlights and Key Risks</p>		
<p>What are the perceived investment highlights and benefits?</p>	<ul style="list-style-type: none"> • Aurora believes it has developed ground-breaking technologies used in its MFP and LFP which have the potential to enable cost effective larger-scale manufacture of metallic parts and components using 3D printing. • The LFP is being designed to print up to one tonne of metal parts in 24 hours, which is believed to be approximately 100 times faster than existing 3D metal printers currently on the market. • Development of Aurora's SFPs has advanced to the pre-production stage and Aurora is currently undertaking Beta Testing. • Aurora is targeting the development of a working prototype MFP by the end of calendar year 2016 which will utilise Aurora's proprietary technology. • Aurora is developing software that is intended to enable controlled printing of certified OEM parts to a manufacturer's specifications and tolerances. • Aurora is investigating the feasibility of establishing a pilot plant using proprietary technology to manufacture 3D metal printing consumable materials for its customers with a view to securing ongoing revenue from customers of its printers and potentially other 3D metal printer users. • The Board has a spread of technical, scientific, legal, corporate management and capital market funding experience. 	<p>Sections 1, 3, 4 and 5</p>
<p>What are the key investment risks?</p>	<p>The key risks of investing in Aurora are set out below. These risks are not an exhaustive list. Further details of specific risks and general investment risks are set out in Section 7.</p> <p>Design and development</p> <p>Aurora's SFP range is not yet in full production and the core technologies to be utilised in the MFP and LFP are in the proof-of-concept phase. As with all new technology, there is an inherent risk that development of the technology will not progress as planned and may encounter delays. While the Directors are confident that Aurora will likely be able to bring the SFP into full production and that the proprietary technology to be utilised in the MFP and LFP is likely to operate as intended, there cannot be any assurance that this will occur within the timeframes targeted or at all.</p> <p>Competition</p> <p>Aurora operates in a competitive sector. There are several large market competitors that operate in the same industry. It can be assumed that these competitors are working on new technologies that can be applied to 3D metal printing. There is a risk that these competitors or new entrants to the market may develop new, superior or more cost effective 3D metal printers which could have an adverse effect on Aurora's business and financial position.</p>	<p>Section 7</p> <p>Section 7.2(a)</p> <p>Section 7.2(b)</p>

INVESTMENT OVERVIEW



Topic	Summary	Further Information
	<p>Commercialisation</p> <p>While Aurora is advanced in the commercialisation of its SFPs (i.e. it has taken pre-sales and is in the Beta Testing phase), there cannot be any assurance that Aurora will successfully commercialise its SFPs or its other printers, or that if these products are commercialised, that they will generate ongoing market interest.</p>	Section 7.2(c)
	<p>Reliance on key personnel</p> <p>Aurora's key management personnel, senior employees and contractors have played an integral part in developing Aurora's products and proprietary technology. Aurora's future prospects are reliant upon its ability to retain its key personnel.</p>	Section 7.2(d)
	<p>Patents not being granted</p> <p>Aurora has filed provisional patent applications which do not currently provide any enforceable rights. Aurora's commercial success is partly reliant upon these patent applications being granted in order for Aurora to obtain enforceable intellectual property rights. It cannot be guaranteed that all of the patents will be granted in the jurisdictions in which Aurora has applied or will apply for protection, or that they will be granted at all. Further, the patents if granted, may not provide the commercial advantages intended.</p>	Section 7.2(e)
	<p>Infringement of third party intellectual property rights</p> <p>There is a risk that a third party may claim that Aurora's technology (including as set out in its patent applications) infringes that third party's intellectual property rights. Aurora has conducted limited due diligence on existing third party intellectual property rights to determine any overlapping technology or potential infringement but has not undertaken an exhaustive review as to do so would be impractical and cost prohibitive. Aurora has not been notified of any third party claims in this regard.</p>	Section 7.2(f)
	<p>Patent licence</p> <p>Aurora is currently engaged in negotiations with a third party patent holder to secure a short-term licence of the patent holder's technology for use in the SFPs until that patent expires in October 2017. Failure to obtain this patent licence may restrict Aurora's ability to commercialise its SFPs in the jurisdictions where the patent is registered. From negotiations to date, Aurora is confident that the patent licence will be obtained, but this outcome cannot be guaranteed. Aurora does not consider that failure to secure the patent licence would have a materially adverse effect on Aurora or its ability to commercialise its SFP range, but this risk is noted for investors' consideration.</p>	

Financial Information

What is Aurora's financial position?

Aurora has limited operating history and historical financial information on which an assessment of its prospects can be made. Section 9

Aurora has completed financial statements for the financial year ended 30 June 2015 and the half year ended 31 December 2015 that have been audited and audit reviewed respectively. These financial statements are available on Aurora's website (www.auroralabs3d.com/).

Aurora has taken pre-sale orders and deposits for its SFPs since its incorporation in August 2014. The pre-sales have been listed as a liability in Aurora's statements of financial position.

Aurora has not yet generated any revenue or profit, and is unable to provide any meaningful key financial ratios, whether relating to market performance, profitability or financial stability. Aurora does not have any material debt financing or borrowings.

Further financial information regarding Aurora is considered in the Investigating Accountant's Report at Section 9.

INVESTMENT OVERVIEW



Topic	Summary	Further Information
<p>How will Aurora generate revenue?</p>	<p>Aurora aims to generate revenue primarily through:</p> <ul style="list-style-type: none"> • sales of its range of 3D metal printers – the SFPs are intended to be the first models available for sale once they have completed Beta Testing and are in commercial production; and • sales of metal consumables for use in Aurora’s 3D metal printers. <p>In addition, Aurora will seek to develop its software business unit with a view to developing revenue through subscriptions by OEMs to Aurora’s proposed database of part designs and specification, noting that this software is currently in development and Aurora does not as yet have any imminent sales forecast from this business unit.</p>	<p>Sections 1 and 3</p>
<p>Will Aurora pay dividends?</p>	<p>Aurora’s focus in the short to medium term is to commercialise the 3D metal printer and related technologies. Accordingly, Aurora does not have any plan or intention to pay a dividend in the immediate future.</p> <p>Payment of any dividend in the future will depend on Aurora’s future profitability and financial position. The Board will review this position on an ongoing basis.</p>	<p>Section 3.8</p>
<p>Directors and Key Management</p>		
<p>Who are the Directors and key management of Aurora?</p>	<p>The Directors and key management of Aurora are:</p> <ul style="list-style-type: none"> • Paul Kehoe – Non-Executive Chairman; • David Budge – Managing Director; • Nathan Henry – Executive Director; • David Parker – Non-Executive Director and Company Secretary; • Dick Herman – Non-Executive Director; • Jessica Snelling – Printer Development Engineer; • Robert Buys – Production Manager; and • Robert Brown – Design and Modelling Developer. <p>Biographies of the Directors and key management are set out in Section 5.</p>	<p>Section 5</p>
<p>What payments and benefits are to be made or given to Directors and their Related Parties?</p>	<p>The Non-Executive Directors are entitled to be paid fees for their services as Directors as set out in Sections 10.5 and 11.7.</p> <p>Aurora has entered into:</p> <ul style="list-style-type: none"> • a Managing Director Engagement Deed with David Budge under which he is entitled to a salary and other benefits as described in Section 10.4; • an Executive Director Engagement Deed with Nathan Henry under which he is entitled to a salary and other benefits as described in Section 10.4; and • a Company Secretarial Consultancy Agreement with Cobblestones Corporate Pty Ltd, a company controlled by David Parker, under which Cobblestones Corporate is entitled to the fees set out in Section 10.6. <p>The Directors have the benefit of an indemnity from Aurora in respect of certain liabilities they may incur in acting as Directors and have liability insurance premiums paid for by Aurora, on the terms outlined in Section 10.7.</p>	<p>Sections 10.4, 10.5, 10.6, 10.7 and 11.7</p>

INVESTMENT OVERVIEW



Topic	Summary	Further Information
What are the interests of Directors and their Related Parties in Aurora?	<p>Each of the Directors holds a relevant interest in Shares, Performance Shares and/or Options in Aurora. These interests are set out in Section 11.8.</p> <p>The Directors (other than David Budge) may participate in the Offers by subscribing for Offer Securities on the same terms and conditions as other Applicants, as described in Section 11.9.</p> <p>Mr Budge has a substantial holding in Aurora. He currently holds 23,946,785 Shares representing a shareholding interest of approximately 59.87%.</p> <p>It is anticipated that Mr Budge will hold a shareholding interest after the close of the Offers of approximately 43.53% on minimum subscription and 40.93% on maximum subscription. Please refer to Section 2.7 for further details in this respect.</p>	Sections 2.7, 11.8 and 11.9

Offers

What are the Offers?	<p>The Offers include:</p> <ul style="list-style-type: none"> • Share Offer – 14,000,000 Shares at \$0.20 per Share to raise up to \$2,800,000 (before costs) with the ability to accept oversubscriptions of up to an additional 3,500,000 Shares to raise up to an additional \$700,000 (before costs); and • Option Offer – up to 5,500,000 Options at \$0.01 per Option to raise up to \$55,000 (before costs). 	Sections 2.1 and 2.2
Are the Offers underwritten?	The Offers are not underwritten.	Sections 2.1(e) and 2.2(e)
What are the Securities being offered?	<p>The Share Offer is an offer of fully paid ordinary shares in Aurora (i.e. Shares).</p> <p>The Option Offer is an offer of options to subscribe for Shares, exercisable at \$0.20 each on or before 31 December 2018.</p> <p>Performance Shares will not be offered under this Prospectus.</p> <p>A summary of the rights attaching to Shares and Options is set out in Sections 11.2 and 11.5</p>	Sections 11.2, 11.5 and 11.6
What will be the capital structure of Aurora on completion of the Offer?	The table below sets out the capital structure of Aurora after the Offers close, assuming minimum and maximum subscription scenarios. Please refer to Section 2.6 further details on the capital structure.	Section 2.6

Security Type	Minimum Subscription (\$2,800,000)	Maximum Subscription (\$3,555,000)
Shares on issue	40,000,000	40,000,000
Shares to be issued under the Share Offer	14,000,000	17,500,000
Shares to be issued to Lead Manager (or nominee) ¹	1,000,000	1,000,000
Total Shares Post IPO	55,000,000	58,500,000
Class A Performance Shares on issue	6,300,000	6,300,000
Class B Performance Shares on issue	7,087,500	7,087,500

INVESTMENT OVERVIEW



Topic	Summary	Further Information
	Class C Performance Shares on issue	7,612,500
	Total Performance Shares Post IPO²	21,000,000
	Options on issue	5,750,000
	Options to be issued under the Option Offer ³	Nil
	Total Options Post IPO⁴	5,750,000
		11,250,000⁵

Notes:

1. These Shares are to be issued to the Lead Manager (or its nominees) under the Lead Manager Mandate (see Section 10.2).
2. Please see Section 2.8 regarding the potential dilutive effect on Shareholders' interests if all Existing Options are exercised and Shares are issued.
3. The Option Offer does not have a minimum subscription requirement.
4. Please see Section 2.8 regarding the potential dilutive effect on Shareholders' interests if all Existing Performance Shares convert to Shares.
5. Aurora has adopted an Employee Incentive Plan under which additional Options may be issued. Please refer to Section 10.9.

How will funds raised from the Offers be used?

Aurora intends to use the funds raised from the Offers as follows:

Section 2.4

- to fund the Beta Testing stage for the SFP;
- to fund the commercialisation of the SFP to production, including ordering of parts and commercial manufacturing of the machines;
- to fund the design and construction of a working prototype of the MFP and the LFP;
- to pay the costs and fees in relation to intellectual property protection, including the patent applications referred to in the Patent Attorney's Report;
- to fund the development of its print control and rights management software business unit;
- to investigate the feasibility of establishing a pilot plant, based on internally developed technology, to manufacture its own consumable materials and, subject to the outcome of this investigation, to develop the pilot plant;
- for general working capital purposes;
- to pay for the costs of the Offers; and
- to enable its admission to the Official List of ASX.

The above intended uses may be affected by new circumstances and financial requirements that arise. The Board reserves the right to vary the way in which funds are applied.

Please refer to Section 2.4 for a more detailed overview on the intended use of funds.

INVESTMENT OVERVIEW



Topic	Summary	Further Information
<p>Will the Offer Securities be quoted on ASX?</p>	<p>Shares</p> <p>Aurora will apply for quotation of Shares under the ASX code "A3D".</p> <p>Options</p> <p>If the conditions for quotation under ASX Listing Rule 2.5 are satisfied, Aurora will also apply for quotation of the Options under the ASX code "A3DO".</p> <p>Quotation of the Options will not be sought if the ASX conditions for quotation are not satisfied and the Options will remain an unquoted class of Securities.</p>	<p>Section 2.16</p>
<p>Is there a minimum subscription requirement for the Offers?</p>	<p>Share Offer</p> <p>The minimum subscription amount for the Share Offer is \$2,800,000. Shares will not be issued unless and until Applications for this amount are received.</p> <p>Option Offer</p> <p>There is no minimum subscription requirement for the Option Offer.</p>	<p>Sections 2.1 and 2.2</p>
<p>What are the expenses of the Offers?</p>	<p>The expenses of the Offers will be approximately:</p> <ul style="list-style-type: none"> • \$361,200 if only the minimum subscription is raised under the Share Offer; and • \$407,100 if the full oversubscription amount of the Share Offer and full subscription under the Option Offer is raised. 	<p>Section 11.10</p>
<p>Will any Offer Securities be subject to escrow restrictions?</p>	<p>Offer Securities issued under an Offer will not be subject to any escrow restrictions.</p> <p>Aurora anticipates that approximately 33,010,696 Shares, 21,000,000 Performance Shares and 5,750,000 Options issued prior to this Prospectus will be subject to ASX imposed escrow restrictions as a condition of Aurora being admitted to the Official List of ASX.</p>	<p>Section 2.9</p>
<p>Are there any taxation consequences?</p>	<p>The acquisition and disposal of Offer Securities may have tax consequences for Applicants depending on their individual taxation circumstances and affairs.</p> <p>Each Applicant should consult their own taxation advisers for advice about any taxation consequences associated with subscribing for and disposing of Offer Securities.</p> <p>Neither Aurora nor any of the Directors have given any advice regarding the taxation consequences of subscribing for Offer Securities.</p> <p>To the extent permitted by law, Aurora, the Directors and Aurora's advisers and officers, do not accept any responsibility or liability for any taxation consequences for persons subscribing for Offer Securities.</p>	<p>Section 11.11</p>

INVESTMENT OVERVIEW



Topic	Summary	Further Information
Applying for Shares and Options		
Who can apply for Offer Securities under each Offer?	Members of the public may apply for Offer Securities under either or both Offers.	Sections 2.1, 2.2 and 2.13
What is required to apply for Offer Securities?	<p>This Prospectus is accompanied by separate Application Forms for each Offer.</p> <p>An Applicant must complete the Application Form accompanying this Prospectus for the relevant Offer, in accordance with the instructions on that Application Form.</p> <p>A cheque for the relevant Application Money must accompany the completed Application Form when submitted to Aurora.</p>	Section 2.11 Application Form
Can an Offer be withdrawn?	Aurora reserves the right to withdraw an Offer at any time before the issue of Offer Securities to Applicants under that Offer. If an Offer is withdrawn, Application Money will be refunded to relevant Applicants in full without interest.	Sections 2.1 and 2.2
Further Information		
How can further information be obtained?	<p>A person considering applying under an Offer should read this Prospectus in full and should consult their own qualified investment advisors if they have any questions.</p> <p>Certain information referred to in this Prospectus, including copies of Aurora's corporate governance charters and policies, is available on Aurora website at www.auroralabs3d.com/</p>	
How can Aurora be contacted?	<p>Aurora's contact details for enquires regarding the Offers or this Prospectus are as follows:</p> <p>By telephone: (08) 9330 8435</p> <p>By email: enquiries@auroralabs3d.com</p> <p>By post: c/- Alto Capital, PO Box 248, West Perth, Western Australia 6872</p> <p>Attention: Company Secretary</p>	
How can the Lead Manager be contacted?	<p>The Lead Manager's contact details are as follows:</p> <p>By telephone: (08) 9223 9888</p> <p>By email: david@altocapital.com.au, adam@altocapital.com.au</p> <p>By post: PO Box 248, West Perth, Western Australia 6872</p> <p>By website: www.altocapital.com.au</p> <p>Attention: David Parker or Adam Belton.</p>	

2. DETAILS OF THE OFFERS



2.1 The Share Offer

(a) Offer

Subject to Section 2.13, this Prospectus invites investors to participate in an offer of 14,000,000 Shares at \$0.20 per Share to raise up to \$2,800,000 (before costs) (**Share Offer**).

All Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with the Existing Shares. Further details of the rights attaching to Shares are set out in Section 11.2.

Aurora, in consultation with the Lead Manager, reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

Aurora reserves the right to close early or withdraw the Share Offer at any time before Shares are issued under it.

Please refer to Section 2.11 for details on how to apply for Shares under the Share Offer.

(b) Minimum subscription

The minimum subscription for the Share Offer is \$2,800,000 through the issue of 14,000,000 Shares.

If the minimum subscription for the Share Offer has not been raised within 3 months after the Prospectus Date, Aurora will either refund Application Money without interest or will issue a supplementary or replacement prospectus to Applicants which will allow them 1 month to withdraw their Applications and obtain a refund of their Application Money.

(c) Oversubscription

Aurora may accept oversubscriptions for up to an additional 3,500,000 Shares to raise up to an additional \$700,000 (before costs). If full oversubscription is reached under the Share Offer, Aurora will raise a total of \$3,500,000 (before costs) from the issue of 17,500,000 Shares.

(d) Conditions of Share Offer

The Share Offer is conditional upon all of the following events occurring:

- (i) **minimum subscription:** the minimum subscription requirement of \$2,800,000 being satisfied (see Section 2.1(b));
- (ii) **Shareholder approval:** Shareholders approving the variation to the terms of each class of Performance Share at the general meeting discussed in Section 11.1; and
- (iii) **ASX listing approval:** ASX approving Aurora's application for admission to the Official List and Aurora receiving conditional approval for quotation of its Shares on the ASX within 3 months after the Prospectus Date (refer to Section 2.16).

If any of the above conditions to the Share Offer are not satisfied, then Aurora will not proceed with the Offers and will repay all Application Money received (without interest) in accordance with the Corporations Act.

If the Share Offer does not proceed, the Option Offer will also not proceed.

(e) Underwriting

The Share Offer is not underwritten.

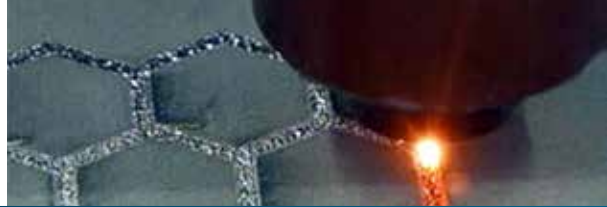
2.2 The Option Offer

(a) Offer

Subject to Section 2.13, this Prospectus invites investors to participate in an offer of up to 5,500,000 Options at \$0.01 per Option to raise up to \$55,000 (before costs) (**Option Offer**).

All Options issued pursuant to this Prospectus will entitle the holder to subscribe for 1 Share at an exercise price of \$0.20 on or before 31 December 2018. The Options will rank equally in all respects with all Existing Options, subject to the proposed variation to Existing Options occurring as outlined below.

2. DETAILS OF THE OFFERS



Aurora has called a general meeting for 13 June 2016 (see Section 11.1) at which approval of Shareholders will be sought to vary the terms of the Options so that they are freely transferable. Further details of the rights attaching to Options and the proposed variation are set out in Sections 11.5 and 11.6.

Aurora, in consultation with the Lead Manager, reserves the right to reject any Application or to allocate any Applicant fewer Options than the number applied for.

Aurora reserves the right to close early or withdraw the Option Offer at any time before Options are issued under it.

Please refer to Section 2.11 for details on how to apply for Options under the Option Offer.

(b) Minimum subscription

The Option Offer does not have a minimum subscription requirement. The Share Offer will not be affected if the Option Offer does not close fully subscribed.

(c) Oversubscription

The Option Offer does not have an allocation for oversubscriptions.

(d) Conditions of Share Offer

The Option Offer is conditional upon all conditions to the Share Offer being satisfied (see Section 2.1(d)).

If this condition is not satisfied, Aurora will not proceed with the Option Offer and will repay all Application Money received (without interest) in accordance with the Corporations Act.

(e) Underwriting

The Option Offer is not underwritten.

2.3 Purpose of the Offers

The purpose of the Offers is to:

- (a) raise a minimum of \$2,800,000 (and a maximum of \$3,555,000) before costs to fund:
 - (i) the Beta Testing stage for the SFPs;
 - (ii) commercialisation of the SFPs to production, including ordering of parts and commercial manufacturing of the machines;
 - (iii) the design and construction of a working prototype of the MFP and the LFP;
 - (iv) the costs and fees in relation to intellectual property protection, including the patent applications discussed in the Patent Attorney's Report; and
 - (v) general business development, including:
 - (A) development of Aurora's print control and rights management software business unit; and
 - (B) investigation into the feasibility of establishing a pilot plant based on internally developed technology, for Aurora to manufacture its own consumable materials and, subject to the outcome of this investigation, possible development of the pilot plant;
- (b) provide general working capital for Aurora's operations;
- (c) pay for the costs of the Offers; and
- (d) enable Aurora to list on ASX, thereby providing a market for Shares and better enabling Aurora to access capital markets.

2. DETAILS OF THE OFFERS



2.4 Use of funds

Aurora intends to use its current funds of approximately \$410,000 cash on hand as at the Prospectus Date, and the funds raised from the Offers as follows:

	Minimum Subscription (\$2,800,000)	Maximum Subscription (\$3,555,000)
Funds available		
Cash on hand	\$410,000	\$410,000
Funds from the Offers	\$2,800,000	\$3,555,000
Total funds available	\$3,210,000	\$3,396,000

Use of funds

SFP commercialisation costs and SFP production	\$685,000	\$785,000
Production of pre-sold SFPs	\$315,000	\$315,000
MFP working prototype and development costs	\$350,000	\$450,000
LFP working prototype and development costs	\$500,000	\$600,000
Patent costs	\$235,000	\$235,000
Business development for software and printing consumables business units (including feasibility of pilot consumables manufacturing plant)	\$150,000	\$250,000
Costs of the Offers	\$361,200	\$407,100
General working capital	\$613,800	\$922,900
Total	\$3,210,000	\$3,965,000

Notes:

- The figures in the table above may be affected by Aurora's ability to establish a sales network for its products as well as the size and geographical locations of such network. The figures may also be affected by the outcome of the patent licence discussions referred to in Section 7.2(f). Failure to obtain a licence may restrict the geographical areas in which Aurora is able to commercialise its SFPs.
- Costs of the Offers include Lead Manager fees of 6% of the total funds raised under the Offers, and the other costs identified in Section 11.10.
- Working capital costs comprises Aurora's administration and overhead costs, and include operating expenses, accounting costs, auditing costs, insurance costs, legal costs, share registry costs, Directors' fees, ASX fees and regulatory compliance costs and expenses.
- The stated use of funds is current as at the Prospectus Date. The use of funds may change depending on any intervening events or changes in Aurora's circumstances. The Board reserves the right to change the way funds are used and applied.
- Aurora has not budgeted in the table above to receive any revenue from sales of the SFPs. The timing and ultimate delivery of the commercial SFPs is subject to change.

2.5 Working capital

On completion of the Offers and the issue of Offer Securities with minimum subscription, Aurora will have enough working capital to carry out its objectives as stated in this Prospectus.

2. DETAILS OF THE OFFERS



2.6 Capital structure

On completion of the Offers, the capital structure of Aurora is expected to be as follows assuming both minimum and maximum subscription scenarios.

Security type	Number (% of total) on Minimum Subscription (\$2,800,000)	Number (% of total) on Maximum Subscription (\$3,155,000)
Shares		
Existing Shares	40,000,000 (72.7%)	40,000,000 (68.38%)
Shares to be issued under Share Offer	14,000,000 (25.4%)	17,500,000 (29.91%)
Shares issued to the Lead Manager (or nominee) ¹	1,000,000 (1.8%)	1,000,000 (1.71%)
Total Shares following completion of the Offers²	55,000,000 (100%)	58,500,000 (100%)
Options		
Existing Options	5,750,000 (100%)	5,750,000 (51.1%)
Options to be issued under the Option Offer	Nil (0%) ³	5,500,000 (48.9%)
Total Options on issue following the Option Offer⁴	5,750,000 (100%)	11,250,000 (100%)
Performance Shares		
Existing Class A Performance Shares	6,300,000 (30%)	6,300,000 (30%)
Existing Class B Performance Shares	7,087,500 (33.7%)	7,087,500 (33.7%)
Existing Class C Performance Shares	7,612,500 (36.3%)	7,612,500 (36.3%)
Total Existing Performance Shares	21,000,000 (100%)	21,000,000 (100%)
Performance Shares issued under the Offers	Nil (0%)	Nil (0%)
Total Performance Shares following completion of the Offers⁵	21,000,000 (100%)	21,000,000 (100%)

Notes:

1. These Shares are to be issued to the Lead Manager (or its nominees) under the Lead Manager Mandate (see Section 10.2).
2. The figures above assume that none of the Existing Options are exercised and that none of the Existing Performance Shares are converted into Shares.
3. The Option Offer does not have a minimum subscription requirement.
4. Aurora has also adopted an Employee Incentive Plan under which additional Options and performance rights may be issued. Please see Section 10.9 for further details.
5. The number of Performance Shares may decrease if one or more performance milestones are met. However, this Section assumes that none of the performance milestones are met as at the completion of the Offers. Please refer to Section 11.3 for details regarding the Performance Shares.

2. DETAILS OF THE OFFERS



2.7 Substantial Shareholder

David Budge is the only Shareholder who has a relevant interest in 5% or more of Shares as at the Prospectus Date, and will continue to have such relevant interest on completion of the Offers.

The table below sets out details of Mr Budge's relevant interest, including how that interest may change upon the events specified in the table occurring.

Event	Total Shares issued	Shares received by Mr Budge	Cumulative Shares held by Mr Budge	Cumulative total Shares on issue	Cumulative relevant interest in Shares / voting power of Mr Budge
Minimum subscription under the Offers					
Current Shares held	Nil	Nil	23,946,785	40,000,000	59.87%
Issue of Shares under the Share Offer	14,000,000	Nil	23,946,785	54,000,000	44.35%
Issue of Shares to Lead Manager	1,000,000	Nil	23,946,785	55,000,000	43.54%
Exercise of Existing Options	725,000	725,000	24,671,785	55,725,000	44.27%
Conversion of Class A Performance Shares	6,300,000	4,420,945	29,092,730	62,025,000	48.37%
Conversion of Class B Performance Shares	7,087,500	4,973,563	34,066,293	69,112,500	46.90%
Conversion of Class C Performance Shares	7,612,500	5,341,975	39,408,268	76,725,000	51.36%
Maximum subscription under the Offers					
Current Shares held	Nil	Nil	23,946,785	40,000,000	59.87%
Issue of Shares under the Share Offer	17,500,000	Nil	23,946,785	57,500,000	41.65%
Issue of Shares to Lead Manager	1,000,000	Nil	23,946,785	58,500,000	40.93%
Exercise of Existing Options	725,000	725,000	24,671,785	59,225,000	41.66%
Conversion of Class A Performance Shares	6,300,000	4,420,945	29,092,730	65,525,000	44.40%
Conversion of Class B Performance Shares	7,087,500	4,973,563	34,066,293	72,612,500	46.92%
Conversion of Class C Performance Shares	7,612,500	5,341,975	39,408,268	80,225,000	49.12%

Notes:

- The interests shown in the table above assume:
 - no options under the Option Offer are exercised;
 - that each of the events specified occurs in the order set out in the table;
 - that no other Shares are issued; and
 - that no other Existing Options are exercised other than the Existing Options held by Mr Budge at the Prospectus Date.
- The exercise of Options or conversion of Performance Shares held by Mr Budge may be limited by the effect of the takeovers restrictions under Chapter 6 of the Corporations Act.

2. DETAILS OF THE OFFERS



2.8 Potential dilutive effect of Existing Options and Existing Performance Shares

The table below sets out the potential dilutive effect on Shareholders if Existing Options are exercised and Existing Performance Shares are converted.

Event	Shares issued	Cumulative number of Shares pre-issue	Cumulative number of Shares post-issue	Dilution
Minimum subscription under the Offers				
Exercise of Existing Options	5,750,000	55,000,000	60,750,000	10.45%
Conversion of Class A Performance Shares	6,300,000	60,750,000	67,050,000	10.37%
Conversion of Class B Performance Shares	7,087,500	67,050,000	74,137,500	10.57%
Conversion of Class C Performance Shares	7,612,500	74,137,500	81,750,000	10.29%
Maximum subscription under the Offers				
Exercise of Existing Options and new Options under Option Offer	11,250,000	58,500,000	69,750,000	19.23%
Conversion of Class A Performance Shares	6,300,000	69,750,000	76,050,000	9.03%
Conversion of Class B Performance Shares	7,087,500	76,050,000	83,137,500	9.32%
Conversion of Class C Performance Shares	7,612,500	83,137,500	90,750,000	9.16%

Notes:

The interests shown in the table above assume that:

1. each of the events specified occurs in the order set out in the table; and
2. no other Shares are issued.

2.9 Escrow restrictions

The Offer Securities issued under this Prospectus will not be subject to escrow restrictions and will be transferable from the date of their issue.

Existing Securities classified by ASX as "restricted securities" will be required to be held in escrow for a period determined by ASX and will not be able to be sold, mortgaged, assigned or transferred for the escrow period without the consent of ASX.

Aurora expects that, if it is admitted to the Official List of ASX, the following Securities will be held in escrow for the period of time set out below, as determined by ASX:

2. DETAILS OF THE OFFERS



Period of Restriction	Shares	Performance Shares	Options
24 months from admission to the Official List	32,135,696	21,000,000	5,305,000
12 months from issue of security	875,000	Nil	445,000
Total restricted securities – minimum subscription	33,010,696 (60.02%)	21,000,000 (100%)	5,750,000 (100%)
Total restricted securities – maximum subscription	33,010,696 (56.43%)	21,000,000 (100%)	5,750,000 (51.11%)

Note: The percentages in the table above represent the approximate percentages of Securities in each relevant class that are restricted securities, after close of the Offers.

The Securities in the table above include some or all of the Existing Securities issued to Directors, other related parties, promoters, seed capital investors and others prior to the Offers.

Aurora expects to announce to ASX the details of the Existing Securities which are classified by ASX as “restricted securities” and the escrow restrictions applicable to those Securities, prior to the Shares commencing trading on ASX.

2.10 Lead Manager

The Lead Manager (Alto Capital) has been appointed by Aurora under the Lead Manager Mandate to manage the Offers.

The Lead Manager will be entitled to a fee of 6% of the total amount raised under each Offer, a success fee of \$50,000 and reasonable reimbursements.

Please refer to Section 10.2 for further details of the terms under which the Lead Manager has been engaged by Aurora.

2.11 Applications for Offer Securities

Applications for Offer Securities will only be accepted on the relevant Application Form for that Offer accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

The Application Form must be accompanied by a personal cheque, payable in Australian dollars, for an amount equal to the number of Offer Securities for which the Applicant wishes to apply, multiplied by the Offer Price of those Offer Securities (i.e. \$0.20 per Share or \$0.01 per Option).

Cheques must be made payable to “Aurora Labs Limited – Application Account” and should be marked “Not Negotiable”.

Applications under the Share Offer must be for a minimum of 10,000 Shares at \$0.20 each totalling \$2,000 and thereafter increments of 1,000 Shares at \$0.20 each totalling \$200.

Applications under the Option Offer must be for a minimum of 2,500 Options at \$0.01 each totalling \$25 and thereafter increments of 2,500 Options at \$0.01 each totalling \$25.

Brokerage or transfer/stamp duty is not payable in relation to the Offers.

Completed Application Forms and accompanying cheques must be received by Aurora before **5.00pm (WST) on the Closing Date** at either of the following addresses:

Post	Delivery
Aurora Labs Limited c/- Alto Capital PO Box 248 West Perth WA 6872	Aurora Labs Limited c/- Alto Capital Ground Floor, 16 Ord Street West Perth WA 6005

2. DETAILS OF THE OFFERS



Applicants who wish to apply under an Offer are urged to lodge their Application Form as soon as possible as either or both Offers may close early without notice.

Aurora, in consultation with the Lead Manager, reserves the right to accept a lesser amount to the total amount of Offer Securities applied for by an Applicant under the Application Form at their complete discretion.

An original, completed and lodged Application Form together with a cheque for the Application Money constitutes a binding and irrevocable offer to subscribe for the number of Offer Securities specified in that Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for an incorrect amount, it may be treated by Aurora as valid at its discretion. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Offer Securities than is indicated by the amount of the cheque for the Application Money.

Aurora reserves the right to refuse a completed Application Form if it has reason to believe that the Applicant has not received a Prospectus in paper or electronic form, or if it has reason to believe that the Prospectus or Application Form provided to the Applicant has been altered or tampered with in any way.

2.12 Application Money to be held on trust

Application Money will be held by Aurora on trust in accordance with the requirements of the Corporations Act until the Offer Securities to which the Application Money pertains are issued under an Offer or a refund of Application Money occurs in the circumstances described in this Prospectus. Aurora will retain any interest earned on Application Money, including in the event of any refund of Application Money.

2.13 Applicants outside of Australia

This Prospectus does not constitute an offer of Offer Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offers.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Offer Securities. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such laws.

Aurora has not taken any action to register or qualify the Offer Securities or an Offer, or otherwise to permit a public offering of the Offer Securities, in any jurisdiction outside Australia.

2.14 Allotment and issue of Offer Securities

Subject to ASX granting approval for Aurora to be admitted to the Official List of ASX, the allotment and issue of Offer Securities to Applicants will occur as soon as practicable after the relevant Closing Date for each Offer, following which Holding Statements will be despatched. It is the responsibility of Applicants to determine their allocation prior to trading Offer Securities. Applicants who sell Offer Securities before they receive their Holding Statements do so at their own risk.

2.15 Allocation of Offer Securities

Subject to the obligations set out in the Lead Manager Mandate, the Directors have the right to allocate Offer Securities at their discretion.

The Directors, in consultation with the Lead Manager, may reject any Application or allocate to any Applicant fewer Offer Securities than applied for.

The Directors, in consultation with the Lead Manager, will generally allocate Offer Securities at their discretion in the manner which they consider to be fair and reasonable, having regard to the requirements of the ASX Listing Rules that Aurora must have a prescribed minimum number of Offer Security holders that hold a marketable parcel of those Offer Securities.

If your Application is not accepted, or is accepted in part only, the relevant part of the Application Money will be returned to you without any accrued interest.

The Directors (other than David Budge) may participate in the Offers. Further details of the maximum number of Offer Securities for which the Directors may subscribe are set out in Section 11.9.

2. DETAILS OF THE OFFERS



2.16 ASX listing and quotation

(a) Shares

Aurora will apply to ASX within 7 days after the Prospectus Date for ASX to admit Aurora to the ASX and for quotation of the Shares offered under this Prospectus (apart from any Shares that may be designated by ASX as “restricted securities”) on the Official List of ASX.

If approval for quotation of the Shares to be issued pursuant to this Prospectus is not granted within 3 months after the Prospectus Date, Aurora will not allot or issue any Shares and will repay all Application Money without interest as soon as practicable.

ASX does not take any responsibility for the contents of this Prospectus. The fact that ASX may admit Aurora to the Official List is not to be taken in any way as an indication of the merits of Aurora or Shares offered pursuant to this Prospectus.

(b) Options

Aurora will not apply for quotation of the Options unless and until the conditions in ASX Listing Rule 2.5 are satisfied, including the condition that a minimum of 50 holders of Options holding a “marketable parcel” (being a parcel of Options that, on exercise, would result in a parcel of Shares worth not less than \$500) have been obtained.

If these requirements are met, Aurora intends to seek quotation of the Options as an additional class of quoted Securities. If these requirements are not met, the Options will remain a class of unquoted Securities.

2.17 CHESS and issuer sponsorship

Aurora will apply to participate in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX Listing Rules and ASX Settlement Rules. Aurora will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up Aurora’s principal register of its Securities.

Under CHESS, Aurora will not issue certificates to the holders of Securities. Instead, Aurora will provide holders with a Holding Statement (similar to a bank account statement) that sets out the number of Offer Securities allotted and issued to them under this Prospectus.

This holding statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

2.18 Privacy disclosure

Aurora collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant’s security holding in Aurora.

By submitting an Application Form, each Applicant agrees that Aurora may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

Aurora and the Share Registry may disclose an Applicant’s personal information for purposes related to the Applicant’s investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth) (**Privacy Act**):

- (a) the Share Registry for ongoing administration of Aurora’s register;
- (b) the Lead Manager for the purposes of the capital raising part of the Offers; and
- (c) the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a security holder of Aurora, the Corporations Act requires Aurora to include information about the security holder (name, address and details of the Securities held) in its public register. This information must remain in Aurora’s register even if that person ceases to be a security holder of Aurora. Information contained in Aurora’s register is also used to facilitate distribution payments and corporate communications (including Aurora’s financial results, annual reports and other information that Aurora may wish to communicate to its security holders) and compliance by Aurora with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, Aurora may not be able to accept or process their Application.

2. DETAILS OF THE OFFERS



Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) Aurora or the Share Registry. An Applicant can request access to their personal information by writing to Aurora through the Share Registry.

2.19 Forward-looking statements

As Aurora's business is at an early stage of development, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors, having considered ASIC regulatory guidance, do not believe that reliable forecasts can be prepared and accordingly have not included forecasts in this Prospectus.

Please refer to Section 3 for further information about Aurora's business and activities.

Notwithstanding the above, this Prospectus includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding Aurora's financial position, business strategy, and plans and objectives for its projects and future operations (including development plans and objectives), which have been based on Aurora's current expectations about future events.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Aurora's present and future business strategies and the environment in which Aurora will or may operate in the future.

Matters not yet known to Aurora or not currently considered material to Aurora may impact on these forward-looking statements. The forward-looking statements in this Prospectus reflect views held only as at the Prospectus Date. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.



Photo: S-Titanium Pro (SFP)

3. COMPANY OVERVIEW



3.1 Executive summary

Aurora is an Australian-based industrial technology and innovation company specialising in the development of 3D metal printers, printer software and the supply of associated consumable materials.

Aurora has primarily focused on developing innovative 3D metal printing technology to address gaps in the current market for 3D metal printers. It is currently seeking to meet the market need for affordable small format 3D metal printers, as well as for larger format 3D metal printers that can be used in larger-scale industrial manufacturing on a cost effective basis.

Aurora's S-Titanium and S-Titanium Pro range of SFPs have been developed to a pre-production stage and Beta Units are currently in Beta Testing. Aurora has received significant interest from prospective customers.

Aurora is also developing its Europa MFP and Titan LFP which both utilise Aurora's innovative patent pending technologies. This technology is intended to enable a significantly higher rate of 3D metal printing to that of other comparable printers currently available in the market.

Aurora is also looking to diversify its business by developing secondary, but complementary, business units for 3D printing related software and manufacturing of consumable materials used in 3D metal printing.

3.2 Company background

Aurora was established as a proprietary company in August 2014 by David Budge (founding Director and Shareholder), Jessica Snelling (founding Shareholder) and William Crisp (founding Shareholder). The founding group originally focused on developing an improved means of manufacturing liquid cooled rocket motors before establishing Aurora.

David Budge sought to utilise his extensive knowledge and experience of designing, building and using industrial welding, automation equipment and robotics, including rebuilding and protection of mining and general industrial heavy equipment. Mr Budge recognised the possibility of utilising existing technology in innovative ways to make an affordable 3D metal printer. He looked for partners in developing the software needed to drive the relevant hardware and approached software programmers Ms Snelling and Mr Crisp who shared his passion for rocket motor design. From the genesis of his idea, this skilled team developed a functioning prototype 3D metal printer.

The prototype was a turning point for Aurora as it demonstrated not only that Aurora could manufacture a 3D metal printer, but also that it could make a more fully-featured printer at a significantly lower cost than the existing printers that were then available on the market. Significant refinement of the design was undertaken which continued over the 2014/2015 period to produce the S-Titanium range of SFPs.

Deciding to make a step change in manufacturing led to a completely different 3D printing process that is now represented in Aurora's MFP and LFP design and development projects.

The ramifications of the potential paradigm shift in manufacturing techniques afforded by the very rapid theoretical speed of the MFP and LFP led to yet another innovation in the conceptualisation of the 3D rights management and certification system currently under development, as well as the need for low cost and high volume metal printer powder production.

The combination of the three technologies (i.e. high speed printing, low cost consumable materials and software for managing certification of products and intellectual property rights) has the potential to create a truly disruptive manufacturing paradigm that is decentralised. It could significantly reduce freight and transport costs of finished products. Further, the ability to print parts using a 3D metal printer could potentially greatly reduce the parts volume requirement of industries such as the resources, mineral processing and downstream industries (e.g. steel and aluminium sheet, plate, bar and extrusions manufacture).

It could also reduce the mass of various manufactured metal components allowing manufacturers to redesign items for manufacture to their optimum design.

The impact of this technology has the potential to go far beyond this and make 3D metal printing possible on any scale in the most remote locations that have access to power, the internet and the consumables required for printing.

3.3 Overview of products and technology

(a) Small Format Printers – pre-production and Beta Testing

Aurora manufactures the S-Titanium and S-Titanium Pro models of SFP.

3D metal printing involves a process whereby a digital 3D image is processed by software that dissects an object into a series of digital slices. The data from each of these slices is then fed sequentially into the printer as part of the print.

The SFPs are capable of operating using the following three different print modes of printing:

- Selective laser melting (**SLM**) – a process where, after the first digital slice is received from the computer, the printer lays down a layer of powder and then scans the surface of the powder in the exact shape of the slice, welding the metal to the substrate below and forming a highly dense layer. This process is repeated until a part is complete.
- Selective laser sintering (**SLS**) – a process where, after the first digital slice is received from the computer, the

3. COMPANY OVERVIEW



printer lays down a layer of powder and then scans the surface of the powder in the exact shape of the slice. However, instead of welding the metal to the substrate as with SLM, the powder is heated to less than the melting point of the metal. This causes a bonding process known as sintering to occur. This process is repeated until a part is complete. Typically parts made in this way require a post heat treatment to create a fully dense and functional part.

- Directed energy deposition (**DED**) – a process where, after the first digital slice is received from the computer, the printer then scans the surface of the previous layer in the exact shape of the slice while powder is being fed into the area where the focal point of the laser meets the substrate. This welds the metal to the substrate below forming a highly dense layer. This process is repeated until a part is complete.

The SFPs have been designed, among other things, for prototyping and light manufacturing. They are intended to be affordable relative to existing comparable printers currently on the market.

Aurora's 3D metal printers have a number of unique features that offer greater flexibility in printing and that differentiate them from competing products currently on the market. These features include:

- The ability to print in three modes – SLS, SLM and DED. Most competing products offer only one or two of these modes. Aurora is not currently aware of any other comparable products that offer all three modes of printing.
- To complement the three modes of printing, three independently controllable powder hoppers for delivering the consumables to the print bed. This facilitates the use of multiple powders in the same print, producing on the fly alloying⁶ or pseudo alloying⁷ by feeding two distinct types of powder to the print bed via the DED process.
- The print bed in the S-Titanium range is one of the biggest on the market for both volume and print weight capacity near its price point.

The operating software for the SFP is open-source. This allows customers to modify many of the print characteristics and parameters of the machine. Customers can use this to implement required or desired customisations for research and development purposes or for production printing. This degree of customisation flexibility is not possible on any other competing 3D metal printers currently on the market.

The SFP range is currently in the pre-production phase and Beta Units are undergoing Beta Testing. Beta Testing involves end-user's operating the printers to identify any problems before full production and commercial release occurs.

The S-Titanium range of SFPs is also intended to provide a platform for ongoing development of new 3D metal printer models, cheaper consumable materials and software solutions.

(b) Medium and Large Format Printers – in development

The core technologies for Aurora's Europa MFP and Titan LFP are currently in the proof-of-concept phase. Aurora is targeting the development of a working prototype MFP before the end of calendar year 2016 and a working prototype LFP is intended to follow 6 to 12 months later.

The purpose of developing of a fully functioning prototype MFP prior to development of an LFP working prototype is to enable testing of the new technology that will be employed in both models. This is intended to mitigate development costs associated with the technology and which would potentially be greater if tested on the LFP working prototype, as opposed to the MFP working prototype.

The MFP is being developed out of the proof-of-concept process for the LFP with the aim to have similar speed increase to the LFP but on a smaller scale.

The LFP in particular is intended to offer a possible solution to the production of larger-scale metal parts and components in a reasonable time. The LFP's proposed design results in theoretical print speeds that may allow production of metal components at a cost that is, in many cases, competitive with traditional methods of manufacture currently available. Although traditional interest in 3D metal printing has been in high value added markets that use titanium, super alloys and other exotic materials, the LFP is intended to be capable of pushing utilisation of 3D metal printing into more moderately value-added components. As a printer could potentially be located almost anywhere in the world where there is access to the internet, power, powder and a small building, the LFP has disruptive potential to many aspects of the traditional manufacturing and distribution model. Aurora considers that the LFP may not only have major a

⁶On the fly alloying is the process of blending two metal or pre-alloyed powders together to produce a new alloy in the weld pool during the 3D metal printing process. The metals or alloys combine while at or above their liquidus temperature (the temperature above which the material is liquid) and in a molten state (e.g. combining nickel powder with chrome powder to produce nickel chromium (NiCr)), creating an alloy with distinct properties to either of the constituent powders.

⁷Pseudo alloying is the process of blending two metal or pre-alloyed powders to produce a pseudo alloy in the weld pool during the 3D metal printing process. The metals or alloys combine while near or below their liquidus temperature (the temperature above which the material is liquid) which allows the metals to fully bond to adjacent but distinct metals or alloys. For example, combining 420 martensitic stainless steel powder with copper powder to produce Cu/420 pseudo alloy which exhibits desirable characteristics of both copper (lubricity and malleability) and 420 martensitic stainless steel (toughness and wear resistance) as well as moderate corrosion resistance in some environments.

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impact on industries that use large parts (e.g. mining and other resources), but also represent an important step closer to cost-effective, mass production of parts.

Although a fully functioning LFP (or MFP) has not yet been completed, the LFP is being designed to print up to one tonne of metal parts in 24 hours, which is believed to be approximately 100 times faster than existing 3D metal printers currently on the market.⁸ The potential speed increase could reduce the cost of 3D printed parts by increasing the number of parts that can be produced to a competitive level with conventional subtractive manufacturing techniques such as casting, machining and fabrication.

Combined with the capacity to print with both high and low value consumables, Aurora believes that the MFP and LFP may pose an attractive proposition for manufacturing a diverse range of products and components. Further, 3D printing in general has a number of well-established features such as printing unusual shapes that are difficult or impossible to manufacture using traditional subtractive manufacturing techniques. The LFP is intended to harness these benefits to allow printing items in their optimum designs for strength and mass reduction as well as being able to improve desirable characteristics such as corrosion and wear resistance.

The MFP and LFP are intended to have powder delivery hardware that will be integrated with the printer control software to aid in quality control and certification of the end product.

The print control software for both the MFP and the LFP is designed to be closed-source which will require a live connection to the internet and Aurora's servers in order to function. This is intended to enable Aurora (and through Aurora, OEMs) to effect additional control over what is printed with these models which in turn would allow certification of printed parts, subject to licences or authorisation from OEMs. The software is also intended to capture and record print and powder information as part of the printing process.

(c) Protection of technology

Aurora has filed a number of patent applications relating to its proprietary and novel technology that is employed in its range 3D metal printers, including in relation to its actual printing methods. These patent applications are intended to protect key aspects of the novel technology used in Aurora's printers.

Aurora has also filed patent applications relating to its print control and rights management software. This software is intended, when fully developed, to provide OEMs with a method of protecting their intellectual property, trade secrets and quality standards, while delivering a certifiable printed product to their customers using Aurora's 3D metal printers.

Patent protection for the software is essential because, at the MFP and LFP's theoretical speed of production, end-users could potentially print parts for similar or less cost than conventional manufacturing techniques.

Details of Aurora's patent applications are set out in the Patent Attorney's Report at Section 8.

(d) Consumable materials

Aurora currently supplies consumable materials for use with 3D metal printers, such as metal or cermet powders. These consumable materials are sourced from a number of suppliers. Aurora intends to supply such consumable materials to customers who purchase Aurora printers when they become commercially available.

(e) CE-mark certification

Aurora is undertaking the CE-mark process for the S-Titanium range of SFPs. It will include electromagnetic compatibility, low voltage and machinery safety of the SFPs under European Union EMC Directive 2014/30/EU, Low Voltage Directive 2014/35/EU and Machinery Directive 2006/42/EC respectively. If determined to be compliant, Aurora will be able to affix the 'CE' mark to its SFPs.

The CE-mark denotes that the product to which it is affixed has been manufactured to comply with the essential requirements of relevant health, safety and environmental protection legislation in the European Union. The CE-mark will enable sale of the SFPs within the European Economic Area of the European Union and is widely accepted around the world.

(f) US FDA approval

Aurora is undertaking the process set down by the Centre for Devices and Radiological Health (CDRH), a branch of the United States Food and Drug Administration, to have the S-Titanium range of SFPs included on the CDRH accession number database. It is in the process of compiling an 'Initial Product Report, Laser' (IPR) for submissions to the CDRH and will then await the issue of an accession number which is required to import laser based equipment into the United States of America.

This process entails providing information on the SFPs, including the design of the printer, printer safety systems, labelling and manuals. The information is then combined into the IPR which, if approved, results in an accession number being issued. Aurora has engaged a laser product compliance specialist consultant to assist in this process who, as an author of International Electrotechnical Commission (IEC) standard 60825-1 and other US laser safety standards, is an expert in laser product compliance.

⁸Based upon a 3D metal printer with a build speed of approximately 105cm³ per hour, having a build volume of 500mm x 280mm x 365 mm, reduced by substrate plate thickness.

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The issuance of an accession number by the CDRH does not mean that the SFPs comply with the applicable US laws and regulations. It simply confirms that the CDRH has received the IPR and recorded the information in its database.

3.4 Business model

(a) Overview

Aurora's business currently focuses on the design, development, manufacture and sale of its range of 3D metal printers.

In order to diversify its market risk profile, Aurora intends to target the following two key types of customers in the 3D metal printer market:

- (i) the smaller build size end of the market which is price sensitive – Aurora is targeting this market with its range of SFPs; and
- (ii) the high-end, high volume market which requires high accuracy and high speed operation – Aurora intends to target this market with its MFP and LFP.

(b) Manufacture and sale of SFPs

Aurora's S-Titanium and S-Titanium Pro range of SFPs have been designed to satisfy demand in a number of established markets, such as rapid prototyping⁹, jewellery, dental implants and appliances, medical implants and materials research businesses. The SFPs are also designed to satisfy demand in relation to various new or emerging markets. This design strategy has been achieved by benchmarking Aurora's design for the SFP against known criteria from existing printers and their markets.

Aurora considers that the current high price of competitors' 3D metal printers on the market inhibit the use and development of 3D metal printers by a number of sectors, such as universities, schools and teaching institutions, plastic 3D printing bureaus looking to increase their range of offerings, manufacturers in developing countries, and smaller companies looking for rapid prototyping capabilities that were previously only accessible by their larger competitors. At the Prospectus Date, the current prices for the SFPs range between US\$39,999 and US\$42,999 (excluding GST and shipping costs).

Aurora's SFP range is intended to provide a comparatively affordable 3D metal printer for these more price sensitive markets. Aurora has received interest from universities worldwide that want to manufacture products for research testing and training. Aurora has also received interest from the dental industry in relation to making the metal components of dentures, implants and dental appliances¹⁰, as well as jewellery manufacturers and many other unique industries that work in metal and need a product with rapid turnaround capabilities. In particular, Aurora considers that the SFPs could have a number of different potential applications, including in relation to the manufacture of valves, pumps and components used in power generation equipment.

Aurora has intentionally included all three modes of printing (i.e. SLM, SLS and DED) in one printer as it considers this will make the SFP range much more attractive to businesses and institutions conducting research and development which requires more than one mode of printing, and those that require the capability to perform on-the-fly alloying.

The SFP range is currently Aurora's only production range of 3D metal printers. Aurora has received significant interest in these printers from a diverse range of potential customers.

Aurora has secured 31 pre-sales for SFPs at the Prospectus Date. It intends to use existing funds and part of the funds raised under this Prospectus to complete Beta Testing of the SFPs and bring the range into full production. Aurora intends to concurrently manufacture S-Titanium and S-Titanium Pro printers to fulfil back orders and to make stock available for immediate sale. At the Prospectus Date, Aurora is anticipating that Beta Testing will be completed and the SFPs will be in production by the end of calendar year 2016.

(c) Proposed manufacture and sale MFP and LFP

Aurora's MFP and LFP are targeted at the high-end 3D metal printing market largely comprising industrial and manufacturing businesses.

The Europa MFP is intended to be both a standalone product as well as a development tool for businesses and institutions that are intending to use the LFP when it is fully developed. The MFP is being developed essentially as a smaller version of the LFP. It utilises substantially the same technology.

Aurora has received interest from potential customers in relation to obtaining an MFP primarily due to its earlier targeted availability to the LFP. Aurora anticipates that the prospective customers will seek to test the (less expensive) MFP's capability before determining whether to pursue the LFP for their respective businesses.

Aurora considers that the MFP could also potentially operate as a manufacturing tool in its own right for smaller parts

⁹Rapid prototyping involves the rapid creation of a model of a part or component using three-dimensional computer aided design data.

¹⁰The use of 3D metal printed parts in relation to dentures, implants and dental appliances may be subject to local legal and regulatory approvals in jurisdictions where such dentures, implants and dental appliances may be used.

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that can tolerate slower speeds and smaller print envelopes than the LFP. It is anticipated the MFP will go some way towards the speed increases expected from the LFP and on that basis will be competitive with current 3D metal printers with similar size print envelopes.

Aurora's Titan LFP is intended to be its flagship product. It is being designed to meet the needs of industrial manufacturing in relation to high quality, high precision and high value added components for industries such as the aviation and medical implant industries. It is also intended to achieve high volume manufacture of more common items that are currently cost prohibitive to produce with the existing 3D metal printers on the market.

(d) Supply of consumable materials

Aurora's supply of consumable materials for 3D metal printing is a secondary business unit to the development, manufacture and sale of its 3D metal printers. Aurora currently supplies consumables to users of other 3D metal printers, but intends to extend this to users of Aurora's printers when they become commercially available.

Aurora considers the consumable materials market to be very important as it provides an on-going source of revenue. Further, consumable materials have been identified as the key factor for the viability and industrial applications of 3D metal printing.

The need for quality consumable materials at a reasonable cost is currently being addressed by Aurora through its sourcing of different materials made to suit its range of 3D metal printers and Aurora's ongoing research and development of lower cost printers.

(e) Targeted geographical markets

Although Aurora has already pre-sold printers into every major market for 3D metal printers worldwide, its distribution network is yet to be established.

The current 3D metal printer market is focused in North America and Western Europe.¹¹ Although Aurora will primarily focus on these geographical markets, it also intends to cater for the emerging and developing economic markets. Aurora sees a particular advantage over its current competitors in targeting a price point that is potentially affordable for many businesses and institutions in both the developed and developing regions.

At present, Aurora intends to conduct all repairs and servicing of its products from its Australian headquarters. It is currently in discussions with a number of service businesses that have expressed interest in becoming Aurora's authorised representatives in their respective countries or regions. Aurora considers these potential representatives to be capable of carrying out any necessary repairs on Aurora printers after factory training.

This targeted level of support in every region in which Aurora plans to market its printers is key to providing potential customers with confidence in Aurora's products.

3.5 Future business development

The 3D metal printing market is an industry reliant upon continuing innovation and technological advancement. Products can quickly be overtaken in the market by improved products of a competitor.

Aurora has sought to mitigate the risks from future technological advancements in competitors' 3D metal printers by developing secondary business units for software and consumable materials to complement its core business. Aurora's current strategy for these business units is outlined below.

(a) Software – print control, rights management and certification

Aurora is developing software for the MFP and LFP that is intended to enable control of:

- printer parameters and quality standards;
- intellectual property used in the printing process, including licences to print using that intellectual property; and
- certification of approved or licenced end products.

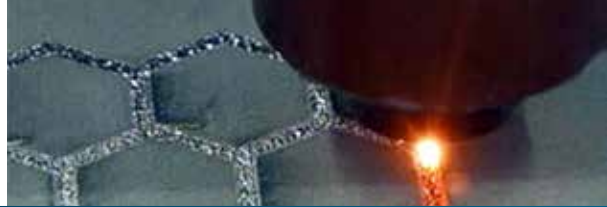
The primary aim of this software when developed is to enable Aurora to establish a platform for OEMs and end users to produce licenced and certified prints. This would facilitate the protection of the rights of OEMs and a standards compliance process which would facilitate the certification of parts produced as fit for purpose.

Aurora considers there to be significant potential that OEMs will be incentivised to utilise this software due to the risk of unauthorised copies being printed which (being a general risk associated with the 3D printing) would pose a direct threat to their business models and revenue streams.

While the software is currently in the conceptual stage of development, Aurora considers that, once developed, the software will provide the following key potential commercialisation opportunities:

¹¹Canalys Industry Report.

3. COMPANY OVERVIEW



(i) Pay-per-print

The software would operate a web-based platform designed to allow customers to search an online store of part designs and specifications. The online store would act as a portal for customers to obtain one-off licences to manufacture parts or components from an OEM.

Aurora intends that this component of the software would work in a similar way to other online licensing websites, such as online music stores.

If the software is successfully developed along with the MFP and LFP models, Aurora may potentially be able to reduce the risk to OEMs' revenue from unauthorised production of their parts and components whilst potentially capturing fees for use its platform.

(ii) Print authority confirmation

Aurora intends to establish a database of designs, models, drawings, photos, point clouds and other model generation sources that are registered by OEMs. Its software is intended to interrogate and cross-reference part models loaded onto its 3D metal printers against this database.

If a match or a partial match is identified in the cross-referencing process, it is intended that the OEM could be notified and the print job may then potentially be suspended pending verification that the use is authorised.

(iii) Certified parts production

Aurora intends to address the likely demand for remote printing in critical industries of parts that are certified as complying with the specifications of OEMs. Its software would record details of the manufacturing process as it relates to the printing component of that process.

The MFP and LFP models are being designed to have sensors that would potentially add to the model and parameter data giving a complete record of how the part was actually produced, including any flaws or defects that may lead to a rejection of the part. It is envisaged that this will be sufficient to allow certification of the parts after acceptability criteria set for each part is established.

The parts produced will be marked as certified with a serial number that can then be printed onto the part for a permanent record and for audit trail purposes.

(b) Manufacture of consumables

As outlined above, Aurora considers the consumable material supply market for 3D metal printers as important to Aurora's future strategic development. Aurora is currently investigating the feasibility of establishing a pilot plant based on internally developed technology to manufacture its own consumable materials such as metal and cermet powders, for use by customers of its machine on an ongoing basis.

Aurora is establishing relationships with powder manufactures and resellers to source accurately specified powders for use in 3D metal printing. It is also exploring technology for the possible manufacture of low cost consumable materials and in this respect is co-operating with other developers of powder manufacturing technologies for characterisation and marketing purposes.

3.6 Corporate structure

Aurora does not have any subsidiaries at the Prospectus Date. However, Aurora may review this position in light of the potential move from designer and developer to producer of 3D metal printers.

3.7 Finance arrangements

Aurora does not currently have any material debts or finance facilities in place. However, it has generated funding through a limited pre-sales campaign. Aurora plans to deliver these pre-sold SFP units following a successful move into commercial SFP production. Aurora's existing policy for pre-sales is to require a 40% deposit of the purchaser price for each SFP that is ordered.

Aurora has prepared a budget for use of funds from the Offers. However, it may require additional funding in the event that it is unable to successfully commercialise its range of products. Aurora may also seek additional capital to accelerate its business growth if the LFP proof-of-concept is successful.

3.8 Dividend policy

Aurora does not have a dividend policy as it does not foresee payment of dividends in the immediate future. However, the Board will review this from time to time having regard to Aurora's financial position and business objectives.

4. INDUSTRY OVERVIEW



4.1 The 3D printing industry

(a) Outline

3D printing or additive manufacturing is a process of making three dimensional solid objects from a digital file. The term 3D printing is often used synonymously with additive manufacturing.¹²

The 3D printing industry is very diverse and includes printers that use polymer, ceramic and metal raw materials. It is a global market but to date it has been concentrated in advanced industrialised countries for both manufacture and utilisation to this point. As a disruptive technology, the 3D printing industry is experiencing very rapid growth of applications, end-users, and printing materials.

The 3D printing or additive manufacturing industry consists of all additively manufactured products and services, including but not limited to:

- 3D printers;
- print materials or consumables;
- on-demand parts services;
- digital design and manufacturing tools;
- software,
- scanners and miscellaneous other products and services.

Individuals and industry are using 3D printing to design and manufacture complex and unique parts, eliminate expensive tooling, reduce lead times on prototyping and manufacture as well as to produce parts locally. The 3D printing industry is enabling sophisticated solutions to high end manufacturing issues as well as enabling individuals to create and print objects using a 3D printer.

(b) Estimated size of the 3D printing industry

The 3D printing market has grown substantially and has continued to diversify in recent years. Global technology market analyst firm Canayls estimates that the overall 3D printing industry is worth approximately US\$5 billion in 2015 and has historically displayed between 30% and 40% compound annual growth rate (CAGR).¹³

3D metal printing is a subset of the overall 3D printing industry. The metal 3D printing market is one of the fastest growing additive manufacturing sectors.¹⁴

The overall 3D industry expanded in 2015 and had approximately 62 manufacturers producing and selling industrial-grade additive manufactured machines consisting of all types of printers.¹⁵

The metal 3D industry currently has approximately 24 manufacturers producing and selling industrial-grade metal additive manufactured machines.¹⁶

The highest growth areas of the entire 3D printing industry are seen to be the low-end consumer level polymer printers which are sold for under US\$3,000 and the high-end metal printers which are sold for over US\$300,000.¹⁷

(c) Aurora's position in the 3D industry

Aurora intends to create new segments in the 3D metal printing market and have an impact on established markets. This is because the price point for the printer hardware of the SFPs (S-Titanium range) and the theoretical productive capacity through increased speed of the MFP (Europa) and LFP (Titan), that are currently undergoing proof-of-concept testing, are intended to fundamentally shift the price per unit of measure (kg/hr). As a result, estimating the actual uptake by the market and predicting potential growth over time is highly subjective.

The S-Titanium range of SFPs will also compete with currently available printers in the US\$100,000 to above US\$1,000,000 range as a low cost alternative. If the proof-of-concept testing of the working prototype which incorporates the technology to be utilised in the MFP and LFP is successful, it would change the method for evaluating printer performance by virtue of a printing speed that is high enough to potentially be competitive with some forms of subtractive manufacture that are currently unattainable by other 3D metal printers on the market.

Accordingly, Aurora is not able to rely on historical data for size or rates of growth of the 3D metal printing market as its intended rate of printing would be competing not only with other printers, but also with sections of the conventional subtractive manufacturing market.

¹²Additive manufacturing refers to the process of joining materials to make objects from 3D model data, usually layer upon layer.

¹³Canayls Article.

¹⁴Wohlers Report; *3D Printing Technology, Wohlers Report 2016 reveals \$1 billion growth in 3D printing industry* (5 April 2016), <<http://www.3ders.org/articles/20160405-wohlers-report-2016-reveals-1-billion-growth-in-3d-printing-industry.html>>.

¹⁵Wohlers Report (pg. 67)

¹⁶Senvol Database.

¹⁷Dr John Harrop, *The fastest growing sectors in 3D printing for 2015 - The 3D printing industry is enormously diverse with printers ranging from the smallest \$350 home 3D printers to the largest \$1.5m industrial machines* (5 February 2015), IDTechEx, <<http://www.idtechex.com/research/articles/the-fastest-growing-sectors-in-3d-printing-for-2015-00007399.asp>>.

4. INDUSTRY OVERVIEW



4.2 The 3D metal printing industry

(a) Outline

The 3D metal printing industry is developing rapidly due to the demand for printed solutions such as combined part manufacture, complex shape manufacture and optimised part design manufacture. One of the key drivers is a broad range of industrial applications that cannot be produced by any other existing means of manufacture.

The current market for 3D metal printing is focused on high value-added components manufactured out of high cost materials such as titanium, nickel alloys, stainless steels and many other metals. Some of the key established industrial users of 3D metal printers are businesses undertaking rapid prototyping, as well as businesses involved in the aerospace, defence, automotive and healthcare industries.

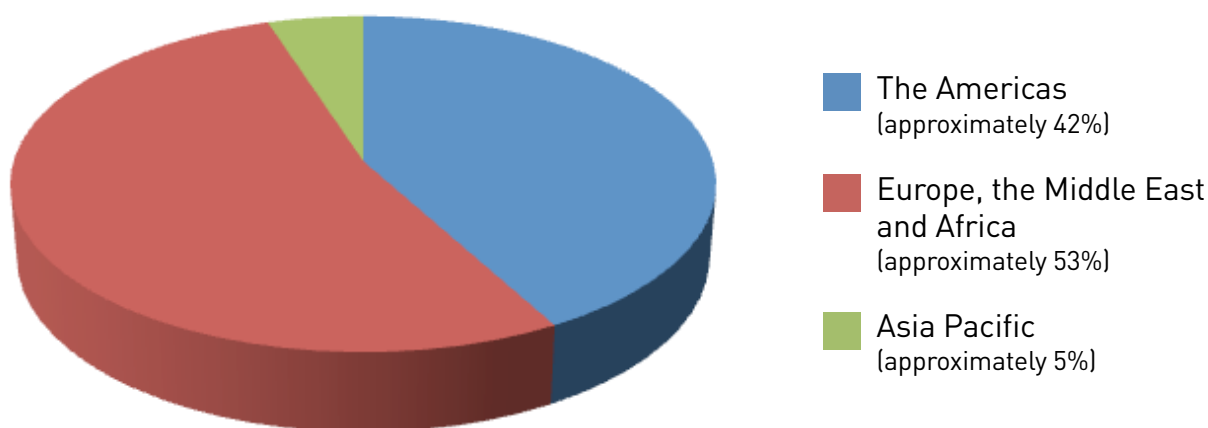
(b) Status and future of the 3D metal printing industry

The 3D metal printing market is one of the fastest growing additive manufacturing sectors. Canals estimates that approximately 640 3D metal printers were shipped worldwide in 2014 and that this number grew to approximately 810 in 2015. Canals also forecasts that the growth in shipments of 3D metal printers to increase in line with historical growth rates of the 3D industry.

(c) The key 3D metal printer markets

Geographical demand for 3D metal printers is currently estimated by Canals to be as follows:

Current Geographical Demands for 3D Metal Printers



Source: Information taken from the Canals Industry Report.

(i) The Americas

The Americas are currently estimated to account for approximately 42% of the annual number of 3D metal printer shipments globally.

Demand for 3D metal printers in the Americas currently comes almost totally from the US and Canada.

(ii) Europe, the Middle East and Africa (EMEA)

EMEA is currently estimated to account for approximately 53% of the annual number of 3D metal printer shipment globally. Most printers are shipped to Western European countries, with Germany currently receiving the largest number of shipments.

Most 3D metal printing businesses are based in EMEA and are expected to continue to stimulate growth at a local level especially given the level of government interest and funding.

(iii) Asia Pacific (APAC)

APAC is currently estimated to account for approximately 5% of the annual number of 3D metal printer shipments globally. The rise in demand for 3D metal printers in China is likely to encourage local vendors to enter the larger APAC market. The APAC percentage of overall demand is forecast to rise.

The future growth of the 3D metal printer sales is expected to be largely brought about by refined technology, falling prices and an increased demand from a wider mix of industries.

4. INDUSTRY OVERVIEW



(d) Key 3D metal printer manufacturers

Some of the key manufacturers of 3D metal printers include EOS, 3D Systems, SLM Solutions, Arcam AB, Optomec and Concept Laser, many of whom have been operating in this space for some time. Some information about these manufacturers is set out in the table below.

Manufacturer	Details
EOS	<ul style="list-style-type: none"> Year founded: 1989 Headquartered in Germany 2015 revenue: €260 million (US\$296 million) 2015 3D metal printer shipments: 285
Concept Laser	<ul style="list-style-type: none"> Year founded: 2000 Headquartered in Germany 2015 revenue: €84.6 million (US\$95.8 million) 2015 3D metal printer shipments: 126
3D Systems	<ul style="list-style-type: none"> Year founded: 1986 Headquartered in USA 2015 revenue: US\$666.1 million 2015 3D metal printer shipments: 161
SLM Solutions	<ul style="list-style-type: none"> Year founded: 2011 Headquartered in Germany 2015 revenue: €66.1 million (US\$73.9 million) 2015 3D metal printer shipments: 93
Arcam	<ul style="list-style-type: none"> Year founded: 1997 Headquartered in Sweden 2015 revenue: SEK176.0 million (US\$20.9 million) 2015 3D metal printer shipments: 50
Others and potential future entrants	<ul style="list-style-type: none"> Hewlett Packard Toshiba Optomec Renishaw

Source: Canalis Industry Report. Information obtained from Canalis' research and estimates, and public financial records, April 2016.

Note: 2015 revenues shown are from all 3D printer sales and associated services and are not limited to 3D metal printer sales and associated products/services.

Due to the complicated nature of 3D metal printing, the market currently hosts only a handful of vendors, whose businesses, systems and revenue differ significantly. These businesses tend to focus on supplying the manufacturers of high value added products, such as those engaged in rapid prototyping as well as businesses in the aerospace, medical and dental implant, defence and automotive industries.

Given the importance of the 3D metal printing industry and the forecast growth of this industry, it is expected that more 3D metal printer manufacturers are likely to enter the market in the coming months and years.

At the Prospectus Date, Aurora is not aware of any other manufacturers selling 3D metal printers at the price point of Aurora's S-Titanium range of SFPs or with the theoretical speed of the MFP and LFP that are currently undergoing proof-of-concept testing.

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(e) The potential value of 3D metal printers

Historically 3D metal printers have sold at prices ranging from US\$100,000 to above US\$1,000,000. The median price per printer has historically ranged between US\$400,000 and US\$600,000.¹⁸ It is estimated that over time, the price of 3D metal printers will decrease similarly to the reduction in price of other 3D printers on the market, such as polymer printers.

The online Senvol Database provides a comprehensive analysis of all 3D metal printers.¹⁹ The database reflects that historically 3D metal printers have not generally retailed for less than US\$100,000 and a large percentage of the 3D metal printers sold had a retail price of greater than US\$250,000.²⁰

The following table provides key details about 3D metal printers sold by key vendors, including the number of models and the price range of these models, which emphasises the high value of 3D printers.

Vendor	Models with sale price: \$0 – \$99,999	Models with sale price: \$100,000 – \$249,999	Models with sale price: \$250,000 – \$499,999	Models with sale price: \$500,000 – \$999,999	Models with sale price: above \$1 million	Models with sale price: Not reported	Total number of 3D metal printer models
EOS	0	1	6	1	1	1	10
Concept Laser	0	3	3	4	2	0	12
3D Systems	0	3	4	2	0	2	11
SLM Solutions	0	0	6	5	5	0	16
Arcam	0	0	0	6	0	0	6

Source: Senvol Database.

Notes:

1. All prices in US dollars.
2. Database search conducted on 14 May 2016.

(f) Potential application of 3D metal printing in automotive, medical and aerospace industries

Although there are many benefits of 3D metal printing, Canalis considers that the ability of 3D metal printing to provide intricate, custom designs that are lighter than conventionally-manufactured metal parts is particularly important for the automotive and aerospace industries, as well as the medical and dental markets.

At the top of the market, clients requiring high value added components, such as GE, Boeing, Airbus, Lockheed Martin, Audi and Stryker, to name a few, have indicated that they are moving to incorporate 3D metal printing in their production stream.

Canalis also anticipates that other markets which have previously been beyond the reach of 3D metal printers' price point will now be accessible and, if the experience of 3D polymer printing is to be used as a guide, growth in this sector should be very rapid. This is demonstrated in the figures above for the growth of the overall 3D printing market.

Many dental and private medical businesses are also current users of 3D metal printing equipment. The technology is forecast to also play a big part in government and military applications. For example, the National Chung-Shan Institute of Science and Technology (CSIST) in Taiwan has developed its own 3D metal printing system with which it aims to improve the nation's defence industry.

¹⁸Senvol Database, Machine Database, Senvol LLC, <http://senvol.com/5_machine-search/> (**Senvol Database**). Historical data related to 3D metal printers manufactured by EOS, Concept Laser, 3D Systems, SLM Solutions and Arcam. Database search conducted on 14 May 2016.

¹⁹Senvol Database.

²⁰Senvol Database.

4. INDUSTRY OVERVIEW



For these businesses, 3D printing with metals allows for lighter designs, and the printing methods involved are often less energy-intensive than standard casting techniques, potentially reducing carbon dioxide (CO₂) emissions. This presents a significant benefit as, along with cost savings, these reductions also enable positive publicity stories.

(g) Demand for major non-ferrous metals

As the market for 3D metal printing expands, so has the powdered metal market. Several businesses offer a range of different powders for use in additive manufacturing, though most choose to focus on only a few key metals.

Canalys notes that titanium, aluminium, copper and various other alloys and superalloys form the majority of this demand, though precious metals, such as gold, platinum and silver have also seen significant growth. Some of the key metal powder providers for additive manufacturing are Hoganäs, HC Stark, AP&C (owned by Arcam AB), Metalysis, Sandvik, Erasteel, ATI Powder Metals, Carpenter and LPW Technology.

(h) Rising demand from vertical markets

The market for 3D metal printers has been influenced by factors that have also affected the wider 3D printing market. Canalys also notes that the market for 3D metal printers has also been assisted by larger macroeconomic factors. Canalys has observed that, as with many other commodities, nearly every major metal currently available for use in 3D printing has fallen in price over the past 5 years, in part due to slowing industrial demand from China. Clearly, the market is highly affected by international growth rates and the successes of large multinational corporations investing in the technology. As international giants such as GE have embraced the technology, the publicity has also created demand from other sectors.

(i) Investment costs and quality issues remain biggest entry barriers

There are many barriers to entry into the 3D metal printing market. The most significant is the high cost associated with creating printers. The technology involved in 3D metal printing is very specialised, and there are several different methods. As the pieces are likely to be used in end-use parts, they must generally be of extremely high quality, comparable to parts made using conventional 'subtractive' methods of manufacture. Reaching a high enough quality standard requires significant time and financial investment.

(j) Cheaper 3D metal printers are forecast to lead growth in the future

Currently, it is believed that almost all 3D metal printers sell for over US\$100,000, though as the technology improves and competition grows, Canalys forecasts that cheaper and smaller devices may become the industry's key growth driver. However, the technology is hard to miniaturise while still maintaining print quality and so may face reliability issues.

All 3D metal printing for the foreseeable future is likely to be enterprise-based²¹, though if prices fall fast enough, some smaller businesses are forecast to buy into the technology.

Several 3D metal printer vendors have also noted a trend toward customers requiring printers with higher laser counts to achieve faster printing times.

4.3 Canalys Industry Report

(a) Source of information

All industry information contained in this Section 4 has been prepared having regard to the information set out in the Canalys Industry Report, except where expressly noted otherwise.

(b) About Canalys

Canalys is a leading global technology market analyst firm that provides analysis services, custom research, and innovative partner community and events.

Canalys was the first major global analyst firm to track the 3D printing market on a quarterly basis. The service analyses the sale of 3D printers and associated materials and services, in both the consumer²² and enterprise sectors.

(c) Methodology and assumptions

Aurora engaged Canalys as an industry and market consultant to prepare the Canalys Industry Report in relation to the global 3D metal printing industry.

²¹Enterprise includes all products aimed at commercial entities, often (but not exclusively) companies engaged in manufacture, design or prototyping. Products shipped to the public sector or charitable organisations are also included.

²²Consumer includes all products aimed at individuals, rather than companies or organisations. This will inevitably include a proportion of 3D metal printers purchased as if by an individual through retail channels that are then used by micro and small businesses.

4. INDUSTRY OVERVIEW



The Canals Industry Report was prepared on the following basis:

- (i) The report considers:
 - (A) **'3D printing'** to be an additive manufacturing (AM) process, translating a computer-aided design (CAD) digital model into a solid three-dimensional object, achieved by successively layering materials in a particular pattern to build up the required three-dimensional shape;
 - (B) a **'3D printer'** to mean a robotic device that layers materials together in specific patterns to produce a custom three-dimensional representation of a CAD digital model. 3D printers range from relatively simple and low-cost units to large-scale industrial-grade machines. Depending on the technology they use to create objects, various materials can be used to allow the creation of finished products with varying properties, finishes and colours. However, the estimates and forecasts exclude printer kits, which require significant self-assembly, and associated components; and
 - (C) a **'3D metal printer'** to mean a robotic device that uses additive manufacturing to create any three-dimensional object that includes metallic parts formed as part of the 3D printing process. Processes include (without limitation) Selective Laser Sintering (SLS), Selective Heat Sintering (SHS), Direct Metal Laser Sintering (DMLS), Direct Metal Printing (DMP), Selective Laser Melting (SLM), Electron Beam Melting (EBM) and LaserCUSING®.
- (ii) Canals' 3D metal printer estimates in the report are based on data from its continuous 3D printing service which publishes market data on a quarterly basis. Canals focuses on tracking unit shipments from vendors into distribution channel partners (or direct to end customers where relevant), commonly known as 'sales-in'.
- (iii) The primary research technique used is to approach the product vendors, which then share their quarterly and annual shipment information with Canals. Canals requests details regarding shipments across the various regions and product types. It then takes steps to cross-check this information and re-submits estimates for further commentary.
- (iv) Additional information relating to the generation of the 3D metal printing sector shipment data was taken from Canals existing data and information received via interviews with key contacts as well as desk-based research.
- (v) Shipments of 3D metal printers are broken down into:
 - (A) geographical regions, being the Americas, EMEA and APAC; and
 - (B) price brackets (in US dollars) which relate to the pre-tax sales price of complete printer systems, being: below \$2,000; between \$2,000 and \$4,999; between \$5,000 and \$9,999; between \$10,000 and \$99,999; and above \$100,000.
- (vi) The forecast assumptions take into account the expected growth rates of existing companies (public companies make these expectations available in their financial releases), regional and country-level growth rates, as well as anticipated changes to customer demand for particular product types.
- (vii) All feedback provided to Canals is kept in the strictest confidence. Canals will not reveal the extent to which vendors have been co-operative. All results Canals publishes are described as 'estimates' regardless of the actual data source so as to ensure the impartiality of the results.



Photo: S-Titanium Pro (SFP) internal powder bed and sweeper

5. BOARD AND MANAGEMENT



Aurora will be managed by the Board of Directors. The Board presently comprises 5 Directors (2 Executive Directors and 3 Non-Executive Directors).

The Directors are detailed below:



Paul Kehoe – Non-Executive Chairman

Bachelor of Business (Acc.) from Monash University; CA; Graduate Diploma of Science (with First Class Honours) from Monash University.

Mr Kehoe has over 20 years' experience in corporate finance and restructuring as a Chartered Accountant with firms such as PricewaterhouseCoopers and Grant Thornton in senior management roles.

Mr Kehoe served as the managing director of Syrah Resources Limited (ASX:SYR) from December 2011 until October 2014. He oversaw the early development of Syrah Resources' world class graphite project at Balama, Mozambique and was involved in the acquisition of the Tanzanian projects.

Mr Kehoe serves as a non-executive director of Jacana Minerals Limited. He also performed business development roles with other ASX-listed resource exploration companies.



David Budge – Managing Director

Bachelor of Science (Chemistry) from University of Western Australia

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 Bossong Engineering running its plasma transferred arc department. He then worked for Score Pacific managing its thermal spray department and overseeing research and development on special projects. 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.

David Budge is a founding director and Shareholder in Aurora. He continues to be its largest Shareholder at the Prospectus Date (see Section 2.7).



John (Nathan) Henry – Executive Director

Mr Henry has held senior management roles for over 28 years. He has been involved across all levels 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 purchase recommendations, workflow planning, skilled employee recruitment, securing approved vendor list (AVL) status and marketing plans. He has previously developed and led sales teams for market leading companies both in Australia and the USA.

Mr Henry is responsible for developing the strategy and processes required for branding and marketing Aurora's products and services. 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.



David Parker – Non-Executive Director and Company Secretary

Bachelor of Commerce from Curtin University; Graduate Diploma of Applied Corporate Governance from the Governance Institute

Mr Parker is an experienced corporate advisor and has served as a director or company secretary of a number of ASX-listed companies. He was also a founding director of Circero Corporate Services Pty Ltd which provided corporate advisory and company secretarial services to ASX-listed companies. Mr Parker is an employee of Alto Capital, a stockbroking and corporate advisory firm which is licensed to provide financial advice to retail and wholesale investors.

5. BOARD AND MANAGEMENT



Mr Parker is currently a non-executive director at Pacific Ore Ltd (ASX:PSF).

Mr Parker is a Senior Associate (and member since 2001) of the Financial Services Industry of Australian (FINSIA).



Hendrikus (Dick) Herman – Non-Executive Director

Bachelor of Laws from Australian National University; Bachelor of Commerce from Australian National University

Mr Herman is a lawyer providing expert advice on commercial law matters. He is currently a senior associate at Curwoods Lawyers. He has almost 20 years' experience in legal and commercial roles and has handled matters for companies of all shapes and sizes, in Australia and overseas.

Mr Herman has a particular interest in franchise operations and their regulation and compliance, having provided advice on the Franchising Code of Conduct in its various forms since its introduction in 1998. He also has developed and maintained legal and risk compliance functions for companies, including work health and safety frameworks around their workforces.

Mr Herman draws on his broad understanding of business drivers to provide practical and relevant advice from a different perspective while being commercially focused.



Jessica Snelling - Printer Development Engineer

Bachelor of Computing and Mathematical Sciences from the University of Western Australia.

Ms Snelling is one of the co-founders of Aurora and has helped with the development and testing of the S-Titanium range of SFPs. She has a background in software, mathematics and physics and graduated with a Bachelor of Computer and Mathematical Sciences from the University of Western Australia.

Ms Snelling is a core member of the design team at Aurora. Her primary responsibility is developing solutions to problems with design and proving the systems prior to approving designs for production. This includes testing and parameter development for new 3D metal printers as well as software integration, manual development, process and quality controls, and parts sourcing.



Robert Buys – Production Manager

Mr Buys background is as production manager in a large, multinational, high-tech valve manufacturer. He was responsible for managing a multiple discipline thermal spray workshop incorporating state of the art robotics, thermal spray processes, welding and automation.

Mr Buys is in charge of Aurora's growing production team which is responsible for production of Aurora's products (currently the SFP Beta Units) and ensuring they meet key targets in the growth cycle of the business, including sourcing parts, liaising with suppliers, organising production cycles and production of 3D metal printers.



Rob Brown – Design and Modelling Developer

Mr Brown has been working in the field of machine design and realisation for close to 20 years. His skill in SolidWorks® modelling, AutoCAD® drawing, microcontroller hardware, software design and qualification as a certified welding inspector makes Mr Brown a significant contributor to the design team.

Mr Brown works closely with David Budge and Robert Buys in the design and development of new products and implementation of designs.

Paul Kehoe and Dick Herman are considered to be independent Directors because they are free from any business or other relationship with Aurora that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgement as Directors.

6. CORPORATE GOVERNANCE



Aurora's corporate governance policies and procedures have been designed to be consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (**ASX Recommendations**), and are outlined below.

The Board has adopted the corporate governance policies described below. Copies of the policies are available on Aurora's web site at www.auroralabs3d.com/.

As Aurora's activities develop in size, nature and scope, the implementation of additional corporate governance policies will be given further consideration.

6.1 The Board

The Board is responsible for the overall corporate governance of Aurora, and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision making.

6.2 Composition of the Board

The Constitution requires Aurora to have a minimum number of 3 Directors. The maximum number of Directors is fixed by the Board but may not be more than 10, unless the members of Aurora in a general meeting resolve otherwise.

The relevant provisions in the Constitution, the Corporations Act and the ASX Listing Rules determine the terms and conditions relating to the appointment and termination of Directors. All Directors, other than the Managing Director, are subject to re-election by rotation every three years.

Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

6.3 Charters and policies

Set out in the table below is a list of Aurora's corporate governance charters and policies and a brief description of the purpose of each. Copies of the charters and policies are in the Corporate Governance section of Aurora's website.

Charter / policy	Purpose
Board Charter	Sets out the various responsibilities of the Board with regard to the overall operation and stewardship of Aurora (and any future subsidiaries of Aurora).
Code of Conduct	The Code of Conduct aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the Directors, officers, employees and consultants in carrying out their roles for Aurora.
Continuous Disclosure and Market Communications Policy	The purpose of the Continuous Disclosure and Market Communications Policy is to: <ul style="list-style-type: none"> (a) ensure that Aurora, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules and, as much as possible, seeks to achieve best practice; (b) provide Shareholders and the market with timely, direct and equal access to information issued by Aurora; and (c) promote investor confidence in the integrity of Aurora and its Securities
Risk Management Policy	The purpose of the Risk Management Policy is to: <ul style="list-style-type: none"> (a) provide a framework for identifying, assessing, monitoring and managing risk; (b) communicate the roles and accountabilities of participants in the risk management system; and (c) highlight the status of risks to which Aurora is exposed, including any material changes to Aurora's risk profile

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Audit Committee Charter	<p>The Audit Committee Charter states the roles and responsibilities of the Audit Committee, which oversees Aurora's internal and external audit functions. The primary objectives of the Audit Committee are to assist the Directors to discharge their obligations with respect to:</p> <ul style="list-style-type: none"> (a) the integrity and quality of interim and annual financial reporting and disclosures; (b) identification of key business, financial and regulatory risks; (c) compliance with relevant laws, regulations, standards and codes; (d) the adequacy of the internal control framework; and (e) the integrity of internal and external audit.
Nomination and Remuneration Policy	<p>Sets out the Board's policy and procedures for nomination and remuneration of officers and senior management, including in relation to the Managing Director, to ensure that they are fair and meet market conditions.</p>

6.4 Corporate governance compliance with ASX Recommendations

Aurora sets out below its "if not, why not" report in relation to those matters of corporate governance where Aurora's practice departs from the ASX Recommendations to the extent that they are currently applicable to Aurora.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. 	Yes	<p>Aurora has adopted a Board Charter which discloses the roles and responsibilities of the Board and senior management.</p> <p>Under the Board Charter, the Board is responsible for the overall operation and stewardship of Aurora (and any future subsidiaries), including charting the direction, strategies and financial objectives for Aurora, monitoring the implementation of those policies, strategies and financial objectives, and monitoring compliance with regulatory requirements and ethical standards.</p> <p>The Board Charter is available on Aurora's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should should:</p> <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director. 	Yes	<p>Aurora will conduct background checks of candidates for new Director positions prior to their appointment or nomination for election by Shareholders, including checks as to good character, experience, education, qualifications, criminal history and bankruptcy.</p> <p>Aurora does not propose to conduct specific checks prior to nominating an existing Director for re-election by Shareholders at a general meeting on the basis that this is not considered necessary given that each Director was required to submit to the ASX 'good fame and character' assessment during Aurora's admission to the Official List of ASX.</p> <p>As a matter of practice, Aurora will include in its notices of meeting a brief biography and other material information in relation to each Director who stands for election or re-election. The biography will set out (amongst other things) the relevant qualifications and professional experience of the nominated Director for consideration by Shareholders.</p>

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Recommendation 1.3

Yes

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Aurora engages or employs its Directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by Aurora.

The Managing Director is employed pursuant to a written employment agreement with Aurora and each Non-Executive Director is engaged under a Non-Executive Director Engagement Deed.

Recommendation 1.4

Yes

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary reports directly, and is accountable, to the Board through the Chairperson in relation to all governance matters.

The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures, and coordinates circulation of meeting agendas and papers.

Recommendation 1.5

No

A listed entity should should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
 - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Given Aurora's size and its stage of development, Aurora has not adopted a formal diversity policy at this stage. Aurora has a policy to select the best available officers and staff for each relevant position in a non-discriminatory manner based on merit.

Notwithstanding this, the Board respects and values the benefits that diversity (e.g. gender, age, ethnicity, cultural background, disability and marital/family status) brings in relation to expanding Aurora's perspective and thereby improving corporate performance, increasing Shareholder value and maximising the probability of achieving Aurora's objectives. The Board is committed to developing a diverse workplace where appointments or advancements are made on a fair and equitable basis.

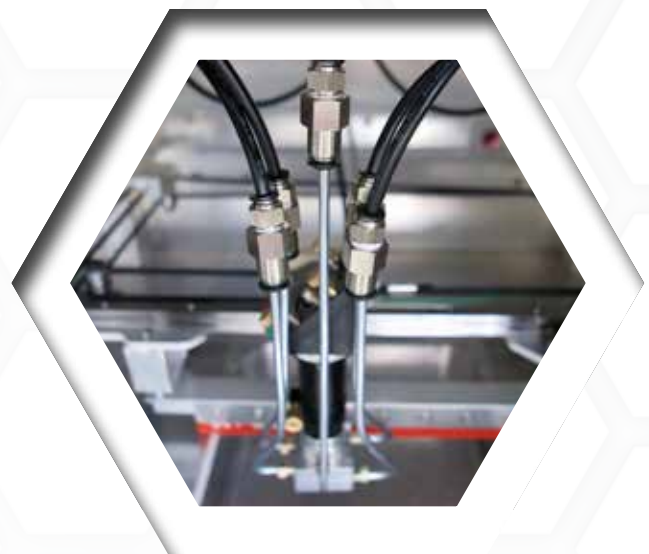


Photo: S-Titanium Pro print head

6. CORPORATE GOVERNANCE



ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>Aurora has adopted in its Board Charter a process for evaluation of the Board, its committees and individual Directors. This process is conducted by the Board.</p> <p>The Board also performs a complementary function under the Nomination and Remuneration Policy.</p> <p>Aurora will disclose if a performance evaluation has been conducted.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Nomination and Remuneration Policy provides that the Board will undertake performance evaluation of the Directors and senior management on at least an annual basis.</p> <p>Aurora will disclose if a performance evaluation has been conducted.</p>
<p>Principal 2: Structure the Board to add value</p>		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	No	<p>Aurora does not have a nomination committee at this stage. The Board considers that, given the current size and scope of Aurora's operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee.</p> <p>The full Board, which comprises 3 Non-Executive Directors and 2 Executive Directors, considers the matters and issues that would otherwise be addressed by a nomination committee in accordance with Aurora's Nomination and Remuneration Policy.</p> <p>Under the Board Charter, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. As a matter of practise, candidates for the office of Director are individually assessed by the Chairman and the Managing Director before appointment or nomination to ensure that they possess the relevant skills, experience or other qualities considered appropriate and necessary to provide value and assist in advancement of Aurora's operations.</p> <p>The Board intends to reconsider the requirement for, and benefits of, a separate nomination committee as Aurora's operations grow and evolve.</p>

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(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>No</p>	<p>Aurora does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of Aurora's operations. The Board may adopt such a matrix at a later time as Aurora's operations grow and evolve.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Yes</p>	<p>Disclosure of the names of Directors considered by the Board to be independent will be provided in the annual reports.</p> <p>At the Prospectus Date, Paul Kehoe and Dick Herman are considered to be independent Directors.</p> <p>Details of the Directors' interests, positions, associations and relationships are provided in Section 5.</p> <p>The length of service of each Director will be provided in the annual report and is, at the Prospectus Date, as follows:</p> <ul style="list-style-type: none"> • Paul Kehoe – since 11 April 2016; • David Budge – since 9 August 2014; • Nathan Henry – since 23 November 2015; • David Parker – since 23 November 2015; and • Dick Herman – since 11 April 2016.
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>No</p>	<p>The Board is not comprised of a majority of independent Directors. There are currently two Directors who satisfy the criteria for independence for the purposes of ASX Recommendation 2.3, being Paul Kehoe and Dick Herman.</p> <p>However, given the size and scope of Aurora's operations, the Board considers that it has relevant experience in the industrial technology sector and is appropriately structured to discharge its duties in a manner that is in the best interests of Aurora and its Shareholders from both a long-term strategic and operational perspective.</p> <p>The Board Charter provides that it is preferable that the majority of the Board be independent Non-Executive Directors. Accordingly, the Board intends to appoint further independent Non-Executive Directors as suitably qualified candidates are identified and as the size and scale of Aurora's operations warrant such appointment.</p>

Photo: S-Titanium Pro (SFP) internal powder bed and sweeper

6. CORPORATE GOVERNANCE



<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Yes</p>	<p>The Board considers that the Chairman of Aurora, Paul Kehoe, is an independent Director in accordance with the criteria for independence outlined in ASX Recommendation 2.3.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>No</p>	<p>Aurora does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of Aurora's operations.</p> <p>The Directors have been selected on the basis that collectively they have experience across industrial technology, manufacturing, legal services, accounting, geology, finance and corporate advisory services. Some of the current Directors are also, or have been, involved in other ASX-listed companies.</p> <p>All Directors are generally experienced in company operations, albeit in different aspects (e.g. operations, finance, corporate governance etc.). Some of the current Directors are also directors of other listed companies. The Board seeks to ensure that all of its Shareholders understand Aurora's operations. Directors also attend, on behalf of Aurora and otherwise, technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advances.</p>
<p>Principal 3: Act ethically and responsibly</p>		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Yes</p>	<p>The Board believes that the success of Aurora has been and will continue to be enhanced by a strong ethical culture within the organisation.</p> <p>Accordingly, Aurora has established a Code of Conduct which sets out the standards with which the Directors, officers, managers, employees and consultants of Aurora (and any future subsidiaries of Aurora) are expected to comply in relation to the affairs of Aurora's business and when dealing with each other, Shareholders and the broader community.</p> <p>The Code also outlines the procedure for reporting any breaches of the Code and the possible disciplinary action Aurora may take in respect of any breaches.</p> <p>In addition to their obligations under the Corporations Act in relation to inside information, all Directors, employees and consultants have a duty of confidentiality to Aurora in relation to confidential information they possess.</p> <p>In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at Aurora's expense, subject to prior approval of the Managing Director, whose approval will not be unreasonably withheld.</p> <p>Aurora's Code of Conduct is available on Aurora's website.</p>

6. CORPORATE GOVERNANCE



Principal 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Yes

Aurora has established a separate Audit Committee under its Audit Committee Charter.

The board of a listed entity should:

The Audit Committee comprises Paul Kehoe (Non-Executive Chairman), David Parker (Non-Executive Director and Company Secretary) and Dick Herman (Non-Executive Director).

(a) have an audit committee which:

The chairperson of the Audit Committee is Dick Herman who is considered by the Board to be 'independent' for the purposes of the ASX Recommendations.

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

The Audit Committee comprises a majority of independent Directors.

(2) is chaired by an independent director, who is not the chair of the board,

Aurora's Audit Committee Charter sets out the purpose and functions of the Audit Committee.

and disclose:

The qualifications, experience and attendance record of Audit Committee members will be disclosed in each year's annual report.

(3) the charter of the committee;

The Audit Committee Charter is available on Aurora's website.

(4) the relevant qualifications and experience of the members of the committee; and

(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.



Photo: S-Titanium Pro (SFP) front door open

6. CORPORATE GOVERNANCE



ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	As a matter of practice, Aurora obtains declarations from its Managing Director and Company Secretary before its financial statements are approved substantially in the form referred to in ASX Recommendation 4.2.
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	In accordance with Aurora's Shareholder Communications Policy, Aurora will request that its external auditor attends each annual general meeting and be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.
Principal 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Aurora has adopted a Continuous Disclosure and Market Communications Policy.</p> <p>Aurora is a "disclosing entity" pursuant to section 111AR of the Corporations Act and, as such, will be required to comply with the continuous disclosure requirements of section 674 of the Corporations Act and Chapter 3 of the Listing Rules, following admission to ASX.</p> <p>Aurora is committed to observing its disclosure obligations under the Corporations Act and, following admission to ASX, its obligations under the Listing Rules. All announcements provided to ASX will be posted on Aurora's website.</p> <p>The Continuous Disclosure and Market Communications Policy is available on Aurora's website.</p>
Principal 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Information about Aurora and its corporate governance, including copies of its various corporate governance policies and charters, is available on Aurora's website.

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ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	<p>Aurora has adopted a Shareholder Communications Policy, the purpose of which is to facilitate the effective exercise of Shareholders' rights by communicating effectively with Shareholders, giving Shareholders ready access to balanced and understandable information about Aurora and its corporate strategies and making it easy for Shareholders to participate in general meetings of Aurora.</p> <p>Aurora communicates with Shareholders as follows:</p> <ul style="list-style-type: none"> • following admission to ASX, through releases to the market via the ASX; • through Aurora's website; • through information provided directly to Shareholders; and • at general meetings of Aurora. <p>The Shareholder Communications Policy is available on Aurora's website.</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>Aurora supports Shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation, including by ensuring that meetings are held at convenient times and places to encourage Shareholder participation.</p> <p>In preparing for general meetings of Aurora, Aurora will draft the notice of meeting and related explanatory information so that they provide all of the information that is relevant to Shareholders in making decisions on matters to be voted on by them at the meeting. This information will be presented clearly and concisely so that it is easy to understand and not ambiguous.</p> <p>Aurora will use general meetings as a tool to effectively communicate with Shareholders and will allow Shareholders a reasonable opportunity to ask questions of the Board and to otherwise participate in the meeting.</p> <p>Mechanisms for encouraging and facilitating Shareholder participation will be reviewed regularly to encourage the highest level of Shareholder participation.</p>



Photos: S-Titanium Pro prototype printing honeycomb
S-Titanium Pro print head

6. CORPORATE GOVERNANCE



ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>Aurora considers that communicating with Shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.</p> <p>Aurora provides new Shareholders with the option to receive communications from Aurora electronically and Aurora encourages them to do so. Existing Shareholders are also encouraged to request communications electronically.</p> <p>Following admission to ASX, all Shareholders that have opted to receive communications electronically will be provided with notifications by Aurora when an announcement or other communication (including an annual reports and notice of meeting) is uploaded to the ASX announcements platform.</p>
Principal 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; an</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>Aurora does not have a separate risk management committee.</p> <p>The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed in accordance with Aurora's Risk Management Policy.</p> <p>The Board considers that, given the current size and scope of Aurora's operations and that only two Directors hold executive positions in Aurora, efficiencies or other benefits would not be gained by establishing a separate risk management committee at present.</p> <p>As Aurora's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk management committee.</p> <p>However, Aurora has adopted a Risk Management Policy for Aurora which includes the following:</p> <ul style="list-style-type: none"> • The purpose of the policy is to: <ul style="list-style-type: none"> ❖ provide a framework for identifying, assessing, monitoring and managing risk; ❖ communicate the roles and accountabilities of participants in the risk management system; and ❖ highlight the status of risks to which Aurora is exposed, including any material changes to Aurora's risk profile. • The Board is responsible for the following under the policy: <ul style="list-style-type: none"> ❖ risk management and oversight of internal controls; ❖ establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and ❖ for the overseeing of such procedures. <p>The Risk Management Policy is available on Aurora's website.</p>

6. CORPORATE GOVERNANCE



ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Board has responsibility for the monitoring of risk management and will review Aurora's risk management framework on an annual basis to ensure Aurora's risk management framework continues to be effective.</p> <p>Disclosure of the outcome of the annual risk management review will be included in the annual report.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	No	<p>Aurora does not currently have an internal audit function. This function is undertaken by relevant staff under the direction of the full Board.</p> <p>Aurora has adopted internal control procedures pursuant to its Risk Management Policy. Aurora's internal controls include the following:</p> <ul style="list-style-type: none"> • Aurora has authorisation limits in place for expenditure and payments; • a Director or senior manager must not approve a payment to themselves or a related party, other than standard salary/directors fees in accordance with their Board approved remuneration; • Aurora prepares cash flow forecasts which include materiality thresholds and which are regularly reviewed; and • Aurora regularly reviews its other financial materiality thresholds. <p>The Board and senior management are charged with evaluating and considering improvements to Aurora's risk management and internal control processes on an ongoing basis.</p> <p>The Board considers that an internal audit function is not currently necessary given the current size and scope of Aurora's operations.</p> <p>As Aurora's operations grow and evolve, the Board will reconsider the appropriateness of adopting an internal audit function.</p>

Photo: Manufacture of S-Titanium Pro



6. CORPORATE GOVERNANCE



ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Board does not consider that Aurora has a material exposure to environmental and social sustainability risks.</p> <p>However, Aurora's primary operation of manufacturing and supplying 3D metal printers, consumables and accessories is subject to various economic sustainability risks which may materially impact Aurora's ability to operate and to generate value for Shareholders. These include:</p> <ul style="list-style-type: none"> • Technology development risk: Aurora's financial success is primarily dependent upon its ability to further develop and commercialise its technology. Any new industrial technology is subject to inherent development risks which may have a significant adverse effect on Aurora's financial position, including technical problems in development and new competing innovations or products. • Intellectual property risks: Aurora has applied for various patents in relation to aspects of its technology. Its success will largely depend upon the successful grant and maintenance of these patent applications. The grant of patents applications is subject to various legal and technical matters and there cannot be any assurance that Aurora's applications will be granted or, if granted, that they will provide the commercial advantage that Aurora desires. • Commodity price fluctuations: Aurora's 3D metal printing machines operate using various metallic substances and other commodities which Aurora intends to supply to its customers. Commodity prices are subject to fluctuation which may affect the cost of procurement and revenue on the sale of such commodities by Aurora. • Exchange rate fluctuations: The revenue and expenditure of Aurora is and will be taken into account in Australian and other currencies (e.g. US dollars, Euros etc.), exposing Aurora to the fluctuations and volatility of the rates of exchange between the Australian dollar and those other currencies as determined in international markets. <p>Aurora has adopted the Risk Management Policy and other procedures to identify, mitigate and manage these risks. These policies are updated from time to time as the Board considers appropriate in the circumstances for the management of Aurora's risk profile.</p>

Principal 8: Remunerate fairly and responsibly

<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p>	No	<p>Aurora has not established a separate remuneration committee.</p> <p>The role of the remuneration committee is undertaken by the full Board. The Board considers that, given its current size, efficiencies or other benefits would not be gained by establishing a separate remuneration committee.</p> <p>Following admission to ASX, Aurora will set out the remuneration paid or provided to Directors and senior executives annually in the remuneration report contained</p>
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6. CORPORATE GOVERNANCE



(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

within Aurora's annual report to Shareholders. The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance indicators, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

As Aurora's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate remuneration committee.

The Nomination and Remuneration Policy is available on Aurora's website.

Recommendation 8.2

Yes

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Following admission to ASX, Aurora's policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior executives is set out in the Remuneration Report contained in Aurora's Annual Report for each financial year.

Recommendation 8.3

Yes

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Aurora has adopted an Employee Incentive Plan. In accordance with Aurora's Securities Trading Policy, the plan does not allow participants to enter transactions that would limit their economic risk under the scheme.

Aurora's Securities Trading Policy sets out the circumstances in which the Directors, executives, employees, contractors, consultants and advisors (**Designated Persons**) are prohibited from dealing in Aurora's Securities.

The policy provides that where a Designated Person is entitled to equity-based remuneration arrangements, that Designated Person must not at any time enter into a transaction (e.g. writing a call option) that operates or is intended to operate to limit the economic risk of holdings of unvested Aurora Securities or vested Aurora Securities which are subject to a holding lock.

The Securities Trading Policy is available on Aurora's website.

7. RISK FACTORS



7.1 Introduction

Investors wishing to subscribe for Offer Securities should read this Prospectus in its entirety in order to make an informed assessment of the effect of the issue of Offer Securities on Aurora and the rights attaching to Offer Securities.

Investors should carefully consider whether Offer Securities in Aurora are an appropriate investment for them and should appreciate that the price of Aurora's Securities can fall as well as rise.

Offer Securities offered by this Prospectus should be viewed as speculative and, whilst the Directors commend the Offers, investors should be aware of, and take into account, the risk factors involved.

This Section is not intended to be an exhaustive list of the considerations to be taken into account by investors in deciding whether to subscribe for Offer Securities, nor all of the risk factors to which Aurora is exposed. Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of Aurora and cannot be mitigated.

There are risks associated with investing in any form of business and with investing in the share market generally. All investors should consult their professional advisers if they are in any doubt as to any aspect of this Prospectus, the Offers or any other matter relating to an investment in Aurora.

7.2 Company specific risks

The following risks have been identified as being key risks specific to an investment in Aurora. These risks have the potential to have a significant adverse impact on Aurora and may affect Aurora's financial position, prospects and price of its listed Securities.

(a) Design and development

The SFPs are undergoing Beta Testing and are yet to reach full commercial production. The core technologies to be utilised in the MFP and LFP are currently in the proof-of-concept phase with a working prototypes to be constructed. Both models are proposed to incorporate innovative new and unproven technology.

There is an inherent risk with new and untested technology that development will not progress as planned and may encounter delays. The performance of the MFP and LFP in particular is uncertain as the technology in these models is theoretical and untested at this stage.

The Board is confident that Aurora will be able to successfully complete Beta Testing of the SFP range so that it may move into commercial production, and also that Aurora will be able to develop working proof-of-concept prototypes of the MFP and LFP utilising Aurora's new technology. However, there cannot be any assurance that this will occur within the timeframes targeted or at all. Developmental problems or delays may have an adverse effect on Aurora's business and financial position.

(b) Competition

The 3D metal printer industry is a competitive sector that is reliant upon continual technological advancement. There are several large competitors that operate in this industry. It can be assumed that these competitors are working on developing new technologies that can be applied to 3D metal printing.

The development of a new and superior 3D metal printer by a competitor could affect Aurora's ability to commercialise its printers. There is a risk that existing competitors or new entrants to the market may develop superior or more cost effective 3D metal printers which could have an adverse effect Aurora's business and financial position.

(c) Commercialisation and market risks

Aurora is advanced in the commercialisation of the SFP range and has taken pre-sale orders. Aurora is confident that the Beta Testing phase will be completed and that the SFP range will proceed to commercial production. However, there cannot be any assurance that Aurora will successfully commercialise the SFP range or its other printers under development, or if these products are commercialised, that they will generate ongoing interest from the market.

In addition, Aurora is seeking to supply products based on historical and existing market trends, as well as creating new markets for 3D metal printers and its rights management and certification software. 3D metal printing is a relatively new and developing industry. There can be no assurance of the continued growth in existing markets nor that the new markets that Aurora is seeking to supply will develop as targeted.

(d) Reliance on key personnel

Aurora's success depends to a significant extent upon its key management personnel, as well as other employees and technical personnel, including sub-contractors.

Aurora's potentially ground-breaking innovative technological developments have come about through its team

7. RISK FACTORS



of key operational personnel. It has sought to foster a workplace environment which encourages innovation and technical thought-leadership.

The loss of the services of any of Aurora's key personnel could have an adverse effect on it at this early stage of development, particularly as finding an effective replacement may be difficult.

(e) Patent matters

Aurora has filed provisional patent applications and applications under the PCT in relation to its proprietary technology, as set out in the Patent Attorney's Report. These applications do not give Aurora any currently enforceable rights. Further, Aurora will need to select the PCT member jurisdictions outside of Australia in which it will seek patent protection. At the Prospectus Date, Aurora intends to seek patent protection under the PCT in the United States of America, the European Union and Japan, and is also considering additional countries. The final selection of PCT jurisdictions may change from these member states.

If the patent applications are granted, the resultant patents would constitute Aurora's main asset. Aurora's ability to commercialise its products successfully is largely dependent upon it obtaining the monopoly rights to exploit the inventions and methods described in these patent applications.

Aurora anticipates that its patent applications will be granted. However, there cannot be any assurance of this or that patents will be granted in all PCT jurisdictions eventually selected.

Third parties may also object to the grant of Aurora's patent applications on grounds which may include alleged infringement of their patents. Aurora is not aware of any of its technology infringing any third party's patent. However, Aurora has not undertaken an extensive assessment of existing patents to determine any overlapping technology or potential infringement, as the costs of such would be prohibitive. Accordingly, there is a risk that a third party may claim that Aurora's technology (including as set out in its patent applications) infringes that third party's patent.

(f) Patent licence

Aurora is currently engaged in negotiations with a third party patent holder to secure a short-term patent licence for use of technology in its SFP range. The patent holder's patent is due to expire in October 2017. The patent is not registered in Australia but is registered in various European Union countries²³, the United States of America and Japan.

The patent holder regularly licences the use of its various patented inventions. Negotiations are at an early stage but have been positive to date. Aurora is confident that a licence will be granted on the basis that Aurora pays a royalty based on a fixed price or a percentage of the sale price for each printer sold. However, there cannot be any assurance that a patent licence will be granted or, if one is granted, the terms on which it is granted.

Aurora does not consider that failure to secure the patent licence would have a materially adverse effect on Aurora or its ability to commercialise the SFP, particularly in light of the short remaining life of the patent and its limited geographical protection. Aurora considers it would be able to proceed with commercialisation of the SFP utilising alternative technology if required to do so. However, the patent licence is desirable to ensure that Aurora is able to commercialise the SFPs in all countries without restriction from the third party's patent.

(g) Future capital requirements

Aurora's ongoing activities are likely to require substantial further financing in the future for its business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Prices or may involve restrictive covenants which limit Aurora's operations and business strategy.

Although the Directors believe that additional capital can be obtained, there cannot be any assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to Aurora or at all. If Aurora is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and which may result in a material adverse affect on Aurora's activities and its ability to continue as a going concern.

(h) Liquidity & volatility

Aurora will be a small company in terms of its market capitalisation upon its listing on ASX. Investment in its Securities will be regarded as speculative and Aurora will have a narrow Shareholder base.

As a consequence, there is a risk that, particularly in times of share market turbulence or negative investor sentiment, there will not be a highly liquid market for Aurora's Securities or that the price of Aurora's Securities

²³The European Union countries in which the patent is registered are Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, France, UK, Ireland, Italy, Luxembourg, Monaco, Netherlands, Portugal and Sweden.

7. RISK FACTORS



may decrease considerably. There may be relatively few buyers or sellers of Securities on ASX at any given time and the market price may be highly volatile.

This may result in holders wishing to sell their Securities in Aurora in circumstances where they may receive considerably less than the price paid under an Offer (where applicable).

(i) **No profit to date and limited operating history**

Aurora has incurred losses since its inception and has significantly changed the nature and scale of its business operations. It is therefore not possible to evaluate its prospects based on past performance. Since Aurora intends to invest in the commercial development of 3D metal printers and the supply of associated consumable materials, the Directors anticipate making further losses in the foreseeable future until Aurora is able to effectively commercialise and generate revenue from its SFP range.

While the Directors have confidence in the future revenue-earning potential of Aurora, there can be no certainty that Aurora will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

7.3 General investment risks

The business activities of Aurora are subject to various general economic and investment risks that may impact on the future performance of Aurora. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Aurora and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

(a) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of Aurora. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. Aurora's future possible revenues and Securities prices can be affected by these factors, all of which are beyond the control of Aurora and its Directors.

(b) **Equity market conditions**

Shares listed on the Securities market, and in particular Securities of small companies at any early stage of commercial development, can experience extreme price and volume fluctuations that are often been unrelated to the operating performances of such companies. The market price of Securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Aurora's quoted Securities regardless of Aurora's operating performance.

General factors that may affect the market price of Securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(c) **Changes in government policy & legislation**

Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of Aurora, and consequent returns to investors.

(d) **Investment risk**

The Offer Securities offered pursuant to this Prospectus should be considered speculative due to the nature of Aurora's business. There cannot be any assurance as to payment of dividends, return of capital or the market value of Offer Securities. In particular, the price at which an investor may be able to trade Offer Securities may be above or below the price paid for those Offer Securities.

In relation to the Options offered under this Prospectus specifically, whether Aurora seeks quotation will depend upon it being in a position to satisfy the requirements of quotation under ASX Listing Rule 2.5, including the condition that a minimum of 50 holders of Options hold a "marketable parcel" (being a parcel of Options that, on exercise, would result in a parcel of Shares worth not less than \$500). The value of the Options may be adversely affected if quotation cannot be obtained.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in Aurora is appropriate having regard to their own particular circumstances.

7. RISK FACTORS



(e) Insurance

Aurora intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, Aurora's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or only partially covered by insurance could have a material adverse effect on the business, financial condition and results of Aurora.

(f) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Aurora.



Photo: S-Titanium Pro (SFP)

8. PATENT ATTORNEY'S REPORT

7 June 2016

Our Ref: G1248AU00:AMM:MNS

VIA E-MAIL AND POST

Aurora Labs Limited
c/o Pascoe Partners
Level 2, 100 Havelock Street
WEST PERTH WA 6005

david@auroralabs3d.com
cc. david@altocapital.com.au

Dear Mr Budge,

**Re: Patent Attorney Report
Aurora Labs Limited**

1. INTRODUCTION

Aurora Labs Limited (ACN 601 164 505) (“**Aurora Labs**”) has instructed Lord and Company to prepare this report which will be included in a prospectus to be published by Aurora Labs.

This report is current as at 7 June 2016.

2. SUMMARY

Aurora Labs has retained Lord and Company to provide services relating to the preparation, filing and prosecution of Australian and overseas patent applications for Aurora Labs.

3. SUBJECT MATTER OF PORTFOLIO

The patent applications that have been filed by Aurora Labs, as at the date of this report, are recorded in the table below.

NO.	COUNTRY	TYPE	APPLICATION NO.	FILING DATE	EARLIEST PRIORITY DATE	INVENTION TITLE	PATENT SUBJECT MATTER	STATUS
1.	Australia	Provisional application	2014903584	9/9/2014	9/9/2014	3D PRINTING METHOD AND APPARATUS	This application relates to a 3D printing apparatus and method that uses multiple powder supplies (and flow control) for fabricating integral 3D parts comprised of multiple source materials.	LAPSED
2.	Australia	Provisional application	2014904119	15/10/2014	15/10/2014	3D PRINTING METHOD AND APPARATUS	This application relates to a further 3D printing apparatus and method that uses multiple powder supplies (and flow control) for fabricating integral 3D parts comprised of multiple source materials.	LAPSED

8. PATENT ATTORNEY'S REPORT

							This application also relates to a 3D printing apparatus and method that uses a mechanism for optimising metallic powder flow and behaviour.	
3.	Australia	Provisional application	2014904448	5/11/2014	5/11/2014	METHOD FOR CONFIGURING A LIGHT SOURCE	This application relates to an apparatus and method for configuring a light source used by a 3D printer by collimating electromagnetic radiation emitted from the light source.	LAPSED
4.	Australia	Provisional application	2015902421	23/6/2015	23/6/2015	3D PRINTING METHOD AND APPARATUS	This application relates to a high powered method used for fabricating large format metallic 3D parts. This application also relates to 3D printing apparatus and method that enables high speed printing.	FILED
5.	Australia	International (PCT) application	PCT / AU2015 / 000547	7/9/2015	9/9/2014	3D PRINTING METHOD AND APPARATUS	This application relates to the invention disclosed in item 2 (provisional application 2014904119) above.	FILED
6.	Australia	Provisional application	2015905353	23/12/2015	23/12/2015	3D PRINTING METHOD AND APPARATUS	This application relates to a further 3D printing apparatus and method that enables high speed printing.	FILED
7.	Australia	Provisional application	2015905268	18/12/2015	18/12/2015	3D PRINTING METHOD AND APPARATUS	This application relates to a further 3D printing apparatus and method that enables high speed printing.	FILED
8.	Australia	Provisional application	2015905271	18/12/2015	18/12/2015	3D PRINTING METHOD AND APPARATUS	This application relates to a further 3D printing apparatus and method that enables high speed printing.	FILED
9.	Australia	Provisional application	2016900949	14/03/2016	14/03/2016	3D PRINTING RIGHTS MANAGEMENT AND CERTIFICATION SYSTEM	This application relates to a rights management, certification and OEM protection system that may be incorporated onto, or used in communication with, a 3D printing apparatus.	FILED

8. PATENT ATTORNEY'S REPORT

4. OVERVIEW OF INTELLECTUAL PROPERTY RIGHTS

Intellectual Property Rights (IPRs) are intangible property rights arising under law. IPRs are registrable (e.g., patents and registered trade marks and designs) and un-registrable (e.g., copyright and confidential information).

A. Patents

(a) Introduction

A patent confers on the owner/s of the patent an enforceable monopoly right in respect of an apparatus, system or method/process that is novel, inventive and useful.

The laws that determine what constitutes patentable subject matter vary from country to country. In most countries, mere discoveries, scientific theories, mathematical methods and abstract ideas are not patentable. Some countries also exclude business methods, naturally occurring substances and methods of medical treatment (c.f. medical products).

Different types of patent applications exist in many countries. In Australia, these include standard patents, which have a maximum term of 20 years, and innovation patents, which have a maximum term of 8 years.

For an invention to be considered novel it must, generally, not have been disclosed publicly anywhere in the world prior to the earliest filing date of its corresponding patent application. An invention is inventive if it is "not obvious" to persons skilled in the art relating to the invention. The test or standard at which inventiveness or 'non-obviousness' is evaluated also varies from country to country.

(b) Patent infringement

The owner of a granted patent has an exclusive right to stop other people making, selling, importing or otherwise using the patented invention commercially during the patent's term. Patent infringement occurs when someone makes, hires, uses, imports or sells the patented invention, or a product made by a patented method, or offers to do these things, within the territory covered by the patent without the patentee's authority.

(c) Patent validity

The fact that a patent is granted does not guarantee its validity and consequent enforceability. Granted patents can be challenged through the courts in revocation proceedings (often as a counter-claim to infringement proceedings) or in some countries (including Australia) challenged in administrative proceedings in the national patent office.

The grant of a valid patent also does not necessarily mean that the invention disclosed and/or claimed in the patent can be used without infringing third party IPRs.

(d) Maintenance fees

Most countries require maintenance fees to be paid during the term of a patent in order to keep the patent in force. Many countries require maintenance fees to be paid annually from filing. Some countries require maintenance fees to be paid less frequently and only after grant. Failure to pay maintenance fees by the relevant deadline will cause the patent (or application) to lapse.

Lord and Company confirms that, as at the date of this report, there are no overdue maintenance fees in respect of the patent applications listed in section 3 of this report.

8. PATENT ATTORNEY'S REPORT

(e) Enforceability

Pending patent applications do not provide enforceable rights. An application must have completed examination and opposition phases of the patent prosecution process before becoming eligible to become a granted and enforceable patent.

The status of Aurora Labs' pending patent applications are given in section 3. Lord and Company will continue to pursue grant of these rights in accordance with instructions from Aurora Labs.

B. International conventions

(a) Paris convention

The Paris Convention for the Protection of Industrial Property provides that, each contracting State of the Convention must grant the same protection to nationals of the other contracting States as it grants to its own nationals, in regard to the protection of industrial property.

The Convention further provides for the right of priority in the case of patents (and utility models, where they exist), trade marks and industrial designs. The right of priority means that, on the basis of a regular first application filed in one of the contracting States, the applicant may, within a certain period of time (12 months for patents and utility models, 6 months for industrial designs and trade marks), apply for protection of the same invention in any of the other contracting States. These later applications will then be regarded as if they had been filed on the same day as the first application. In other words, these later applications will have priority over applications which may have been filed during the relevant period of time by other persons for the same invention, utility model, mark or industrial design.

Moreover, these later applications, being based on the first application, will not be affected by any event that may have taken place in the interval, such as any publication of the invention, or sale of articles bearing the mark or incorporating the industrial design. The practical advantage of this provision is that, when an applicant requires protection in several countries, the applicant is not required to lodge all the applications at the same time but has 12 months in the case of patent protection to decide in which countries protection is required and to undertake the steps necessary to secure protection.

Presently, the Paris Convention has around 176 contracting member countries, including Australia.

(b) Patent Cooperation Treaty (PCT)

The Patent Cooperation Treaty enables applicants to seek patent protection for an invention simultaneously in each of about 148 contracting states by filing an "international" patent application. Such an application may be filed by anyone who is a national or resident of a PCT contracting state. The filing of a PCT application automatically designates all PCT contracting states. The effect of the international application in each designated state is the same as if a national patent application had been filed with the national patent office in that state.

The practical advantage of using the PCT is that the effective lodgement date and associated fees for each of the designated countries can be deferred by a further 18 or 19 months (country dependent) from the initial 12 month priority deadline available under the Paris Convention.

An application is said to be in the "international phase" from that date on which the PCT application is filed until such time that national applications (or in the case of the European Patent Convention, regional applications) are filed. Once the national and/or regional applications are filed, the application is said to be in the 'national phase'.

8. PATENT ATTORNEY'S REPORT

(c) International search report

The PCT is subjected to an "international search". The international search is carried out by one of the major patent offices and results in an "international search report," or ISR which includes a listing of published documents that may affect patentability of the invention claimed in the international application.

(d) Written opinion/International preliminary report on patentability (IPRP)

In addition to the ISR, a preliminary and non-binding written opinion on whether the invention appears to meet patentability criteria in light of the search report results is issued.

The ISR and written opinion are communicated to the applicant who, after evaluating their content, may decide to withdraw the application, if for example, the content of the report and opinion suggest that the granting of patents is unlikely. Alternatively, the applicant may decide to amend the claims in the application to address any issues raised in the opinion.

The applicant may respond to the written opinion, by filing a request for "international preliminary examination". The response may include amendments to the application, for example, in order to more clearly distinguish the invention from the disclosures made in documents identified in the search report. The result of the preliminary examination is an "international preliminary report on patentability" or IPRP, which contains, once again, a preliminary and non-binding opinion on the patentability of the claimed invention.

The international search and written opinion is intended to provide a preliminary and non-binding opinion only on patentability of the claimed invention, and is not intended to indicate whether commercial exploitation of the applicant's invention may infringe the rights of others.

(e) European patent convention (EPC)

The European Patent Convention (EPC) provides a legal framework for granting of European patents, via a single, harmonized procedure before the European Patent Office. A single patent application may be filed at the European Patent Office in one language. The resulting European patent is not a unitary right, but a group of independent nationally enforceable and revocable patents. Following grant of a European patent, formal procedures are required to have the patent rights validated in the required European countries.

The EPC covers: Albania, Austria, Belgium, Bulgaria, Switzerland, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, Greece, Croatia, Hungary, Ireland, Iceland, Italy, Liechtenstein, Lithuania, Luxembourg, Latvia, Monaco, Former Yugoslav Republic of Macedonia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Sweden, Slovenia, Slovakia, San Marino, Turkey and United Kingdom.

(f) National patents

There is no such thing as a global patent. In order to obtain protection for an invention overseas, a national patent application must be lodged in each jurisdiction of interest.

Many national patent offices conduct their own comprehensive search and examination to determine whether the application meets the national requirements for patentability. Such search and examination may result in objections being raised. If an objection raised by a national patent office cannot be overcome, the application will be refused. However, in many cases, an objection can be overcome by amendment to the claims and/or argument.

8. PATENT ATTORNEY'S REPORT

C. Overview of the patenting process

Securing a granted patent typically involves a number of steps. The usual first step is to file a "provisional" application. A provisional application establishes a first "priority date" for the invention described therein and provides a period of 12 months within which the invention may be further developed before filing a complete application. A provisional application is not published or examined and will lapse after a period of 12 months.

In order to maintain the priority date established by the provisional application, a complete application must be filed before the end of the 12 month period. Where patent protection is sought in number of countries, the complete application may be a PCT application pursuant to the Patent Cooperation Treaty described above. The PCT application defers the national application filing deadline in countries which are a signatory to the PCT.

After the international phase of the PCT application which involves the international search and written opinion as described above, the "national phase" (or "regional phase" in the case of the EPC), is entered in the countries of interest. Once the national phase is entered, the application proceeds to examination before the national patent office (or the European Patent Office as the case may be) to determine whether the application meets the national requirements for patentability.

In some cases, it may be preferable to omit the PCT application step and proceed directly with national applications in the countries of interest under the Paris convention as described above.

5. AURORA LABS TRADE SECRETS AND KNOW-HOW

Aurora Labs undertakes research and development activities that result in the generation of technical information and knowledge having significant commercial benefit and value to Aurora Labs. Some of this information and knowledge is protectable as, or forms the basis for obtaining, registrable IPRs (for example, patents). However, information that is not protectable via registrable IPRs may be retained internally by Aurora Labs as trade secrets and protected via the laws of confidentiality.

We are aware that Aurora Labs has know-how and trade secrets that extend substantially beyond the formal registered IPRs that are described in Section 3 of this report. We also understand that Aurora Labs takes significant steps to protect and maintain the confidentiality of this information including, without limitation, entering into binding confidentiality agreements with potential suppliers, customers, partners and other parties before disclosing information of a valuable and technical nature.

6. LIMITATIONS AND DISCLAIMERS

(a) Search Limitations

Prior art (or "novelty") searches conducted by various patent offices to determine whether a patent should be granted are limited to the time periods and geographical areas covered. Thus, databases used in searching may not include older published documents and may not cover certain jurisdictions. Moreover, searches cannot locate documents which have not been published at the time of conducting the search. In most countries, publication of a patent application does not occur until 18 months from the earliest priority date. Delays between official publication and the implementation of information onto the relevant databases can also occur.

All searches are limited to the accuracy and scope of the databases searched together with the search criteria adopted. Accordingly, whilst the searches conducted by various patent offices provide a reasonable indicator of patentability prospects, these and other factors make it not possible to guarantee that every relevant prior art record has been identified and considered. Accordingly, any

8. PATENT ATTORNEY'S REPORT

conclusions drawn regarding the validity of claims in a patent based on patent office searches should be regarded as indicative rather than conclusive in nature.

(b) Grant of Patent Provides no Guarantee of Validity

Grant of a patent by a national patent office provides an indication rather than a guarantee of its validity. In most jurisdictions, a patent application is subject to substantive examination prior to grant. Although this process confers an initial presumption of validity, in most countries that 'presumption' carries no binding legal weight and a patent may be challenged at any time after grant by way of revocation proceedings undertaken in a court of competent jurisdiction. In certain countries a granted patent may be subjected to re-examination by the relevant patent office, particularly if relevant prior art is identified that was not considered during the initial examination of the application.

(c) Grant of Patent Provides no Guarantee of Non-Infringement

Grant of a patent provides no guarantee that the patentee is entitled to commercially exploit the patented invention. For example, the working of an invention. Even if validity patented, may nevertheless infringe an earlier patent or other intellectual property rights.

(d) Scope of Claims May Vary During Examination

It may be possible, and it is often necessary, during examination of a patent application to define the invention more specifically by amendment of the claims to distinguish the invention over relevant prior art. Accordingly, there may be variations in the claims between countries, reflecting in part different national examination procedures and threshold patentability requirements. Such amendments may affect the scope and hence the commercial significance of the resultant patent protection.

(e) Entitlement to Priority

In order for matter disclosed in a patent to be entitled to the priority date of a corresponding provisional application, there must have been disclosure of the matter in the provisional application. Subject matter not so disclosed is not entitled to the claim to priority, which may affect patentability of an invention or validity of any patent that may be granted in respect of the invention.

(f) Changes to Patent Law

From time to time the statutory laws governing patents may change. In addition, the practical effect of statutory laws may evolve by development of case law, that is, by the interpretation of the statute by the relevant Courts.

(g) Reliance on information provided

This report has been prepared in reliance on information contained in publicly available databases relevant to the patent applications in section 3 of this report.

Lord and Company is not responsible for the accuracy of information provided in public databases and we cannot guarantee the accuracy of these databases.

7. LORD AND COMPANY'S INTEREST

Lord and Company is engaged by Aurora Labs for professional patent and trade mark services. Lord and Company has been, and will continue to be, involved in the preparation, filing, prosecution and maintenance of the patent applications in section 3.

8. PATENT ATTORNEY'S REPORT

8. CONSENT

Lord and Company hereby consents to inclusion of this report in a prospectus to be issued by Aurora Labs.

Yours sincerely
For Lord and Company



KELVIN LORD

9. INVESTIGATING ACCOUNTANT'S REPORT



Accountants | Business and Financial Advisers

7 June 2016

The Board of Directors
Aurora Labs Limited
Level 2
100 Havelock Street
WEST PERTH WA 6005

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT - AURORA LABS LIMITED

INTRODUCTION

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a prospectus to be dated on or about 7 June 2016 ("Prospectus") by Aurora Labs Limited ("Aurora" or "the Company") in relation to the Company's proposed listing on the Australian Securities Exchange ("ASX"), comprising an offer of 14,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to raise \$2,800,000 (before costs) with capacity to accept oversubscriptions for an additional 3,500,000 fully paid ordinary shares to raise a further \$700,000 (before costs), and an offer of up to 5,500,000 options (exercisable at \$0.20 each on or before 31 December 2018) at \$0.01 per option to raise up to \$55,000 (before costs) (collectively "Capital Raising" or "Offers"). The Company intends to raise a minimum of \$2,800,000 and a maximum of \$3,555,000 under the Offers.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of the Company.

All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Offers, nor the risks associated with accepting the Offers. HLB Mann Judd ("HLB") has not been requested to consider the prospects for the Company, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so.

HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Offers and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report.

Further declarations are set out in Section 6 of this Report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 WA. Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hibwa.com.au. Website: www.hlb.com.au
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

9. INVESTIGATING ACCOUNTANT'S REPORT

STRUCTURE OF REPORT

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

1. BACKGROUND INFORMATION

The Company was registered on 9 August 2014 as Aurora Labs Pty Limited. The Company converted to a public company on 23 March 2016 and changed its name to Aurora Labs Limited.

Aurora is an innovation company that specialises in the development of 3D metal printers, print control software and consumables.

Further details are outlined in Section 3 of the Prospectus.

The proforma financial information presented in this Report is the historical financial information of the Company for the period ended 31 December 2015, assuming that the proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

The proforma financial information has been prepared using a balance date of 31 December 2015 corresponding to the most recently available published financial information.

For completeness, extracts of historical financial information of Aurora are set out in Appendix 2.

The intended use of the funds raised by the issue of shares and options under the Prospectus is specified in Section 2.4 of the Prospectus.

2. SCOPE OF REPORT

You have requested HLB to prepare this Report presenting the following information:

- a) the historical financial information of the Company comprising the historical Statement of Financial Position as at 31 December 2015 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the period to 31 December 2015 as set out in Appendix 1 to this Report; and
- b) the proforma financial information of the Company comprising the proforma Statement of Financial Position as at 31 December 2015 and the proforma Statement of Comprehensive Income, proforma Statement of Cash Flows and proforma Statement of Changes in Equity for the period to 31 December 2015 as set out in Appendix 1 to this Report.

The Directors have prepared and are responsible for the historical and proforma information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

The historical financial information and the proforma financial information are presented in an abbreviated form insofar as they do not include all of the presentation and disclosures required by Australian Accounting

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report

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Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

The historical financial information as set out in Appendix 1 has been extracted from the financial statements of the Company for the half-year ended 31 December 2015, which was subject to HLB's review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*.

We performed a review of the historical and proforma financial information of the Company as at 31 December 2015 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review of the historical and proforma financial information of the Company was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Auditing Standard on Assurance Engagements ASRE 3450 *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"* and included such enquiries and procedures which we considered necessary for the purposes of this Report.

The review procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and proforma financial information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or proforma information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed;
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- c) the going concern basis of accounting has been adopted.

3. FINANCIAL INFORMATION

Set out in Appendix 1 (attached) are:

- a) the historical financial information of the Company comprising the historical Statement of Financial Position as at 31 December 2015 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the period to 31 December 2015; and
- b) the proforma Statement of Financial Position of the Company as at 31 December 2015 and the proforma Statement of Comprehensive Income, proforma Statement of Cash Flows and proforma Statement of Changes in Equity of the Company for the period to 31 December 2015 as they would appear after incorporating the following significant events and proposed transactions by the Company subsequent to 31 December 2015:
 - i) the issue by the Company, post 31 December 2015 of 4,470,000 ordinary fully share shares raising \$595,200 less costs of the offer of \$35,712;

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report

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- ii) the issue by the Company, post 31 December 2015 of 500,000 ordinary fully paid shares to the Lead Manager or nominee, written off against share capital as costs of the issue;
- iii) the issue of 4,250,000 options, post 31 December 2015, exercisable at \$0.20 on or before 31 December 2018 for nil consideration (accounting value \$42,500);
- iv) the issue of 1,000,000 Performance Shares (classes A, B and C), post 31 December 2015 for nil consideration to the Lead Manager or nominee;
- v) the receipt by the Company of an additional \$36,000 on prepaid sales and the subsequent expenditure of approximately \$650,000 written off to profit and loss post 31 December 2015, together with \$100,000 worth of inventory purchases;
- vi) the issue of up to 5,500,000 options pursuant to this Prospectus (exercisable at \$0.20 on or before 31 December 2018) at \$0.01 each raising \$55,000 before expenses of the offer. This offer of options does not have a minimum subscription requirement, therefore we have included the capital raising from this offer as part of our "Maximum" disclosures in this Report;
- vii) the issue by the Company pursuant to this Prospectus of up to 17,500,000 ordinary fully paid shares issued at \$0.20 each raising \$3,500,000 before the expenses of the offer;
- viii) the write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 11.10 of the Prospectus of \$407,100; and
- ix) the issue to the Lead Manager or nominee of 1,000,000 ordinary fully paid shares at \$0.20 in connection with the capital raising.

This information is also shown at a minimum capital raising of \$2,800,000. Under this scenario the costs of the Offers fall by \$45,900 to \$361,200.

- c) Notes to the historical financial information and proforma financial information.

4. SUBSEQUENT EVENTS

There have been no material items, transactions or events subsequent to 31 December 2015 not otherwise disclosed in the Prospectus or this Report which have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

5. STATEMENTS

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

- a) the historical financial information of the Company as at 31 December 2015 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations and its cash flows for the period then ended;
- b) the proforma financial information of the Company as at 31 December 2015 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of

9. INVESTIGATING ACCOUNTANT'S REPORT

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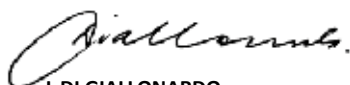
applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations and its cash flows for the period then ended, as if the transactions referred to in Section 3(b) of this Report had occurred during that period; and

- c) the assumptions and applicable criteria used in the preparation of the proforma financial information do not provide a reasonable basis for presenting the significant effects directly attributable to the Offers and do not reflect proper application of those adjustments to the unadjusted financial information.

6. DECLARATION

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates.
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in the Company or the promotion of the Company. HLB has acted as the Company's auditors since its appointment on 11 January 2016. In HLB's capacity as auditor, HLB has audited the Company's annual financial report for the period from the date of the Company's registration to 30 June 2015 and has reviewed the Company's half-year financial report for the half-year ended 31 December 2015.
- d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.
- e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.

Yours faithfully
HLB MANN JUDD



L DI GIALONARDO
Partner

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 1

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APPENDIX 1

AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2015

	Notes	Reviewed Historical	Subsequent Events	Proforma Adjustments (Minimum)	Reviewed Proforma (Minimum)	Proforma Adjustments (Maximum)	Reviewed Proforma (Maximum)
CURRENT ASSETS							
Cash and cash equivalents	2	505,690	(154,512)	2,438,800	2,789,978	759,100	3,549,078
Trade and other receivables		97,429	-	-	97,429	-	97,429
Inventory		-	100,000	-	100,000	-	100,000
TOTAL CURRENT ASSETS		603,119	(54,512)	2,438,800	2,987,407	759,100	3,746,507
NON-CURRENT ASSETS							
Property, plant & equipment		783	-	-	783	-	783
Intangibles		31,594	-	-	31,594	-	31,594
TOTAL NON-CURRENT ASSETS		32,377	-	-	32,377	-	32,377
TOTAL ASSETS		635,496	(54,512)	2,438,800	3,019,784	759,100	3,778,884
CURRENT LIABILITIES							
Trade and other payables		153,208	-	-	153,208	-	153,208
Prepaid sales		237,966	36,000	-	273,966	-	273,966
TOTAL CURRENT LIABILITIES		391,174	36,000	-	427,174	-	427,174
TOTAL LIABILITIES		391,174	36,000	-	427,174	-	427,174
NET ASSETS		244,322	(90,512)	2,438,800	2,592,610	759,100	3,351,710
EQUITY							
Issued capital	3	726,137	559,488	2,438,800	3,724,425	704,100	4,428,525
Option reserve		15,000	42,500	-	57,500	55,000	112,500
Accumulated losses		(496,815)	(692,500)	-	(1,189,315)	-	(1,189,315)
TOTAL EQUITY		244,322	(90,512)	2,438,800	2,592,610	759,100	3,351,710

The above should be read in conjunction with the accompanying notes.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 1

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AURORA LABS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR TO 31 DECEMBER 2015

	<i>Reviewed Historical</i>	<i>Subsequent Events</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
Other income	14	-	-	14
Research & development costs	(133,828)	(13,978)	-	(147,806)
Corporate expenses	(24,813)	(43,476)	-	(68,289)
Employee benefits expense	(94,279)	(244,637)	-	(338,916)
Share based payments	-	(42,500)	-	(42,500)
Other expenses	(86,865)	(347,909)	-	(434,774)
Loss from ordinary activities before tax	(339,771)	(692,500)	-	(1,032,271)
Income tax benefit	92,429	-	-	92,429
Loss from ordinary activities after tax	(247,342)	(692,500)	-	(939,842)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive loss for the period	(247,342)	(692,500)	-	(939,842)

The above should be read in conjunction with the accompanying notes.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 1

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AURORA LABS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR TO 31 DECEMBER 2015

REVIEWED HISTORICAL	<i>Issued capital</i>	<i>Accumulated losses</i>	<i>Allotment reserve</i>	<i>Option reserve</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$
As at 1 July 2015	84,625	(249,473)	20,000	-	(144,848)
Loss for the period	-	(247,342)	-	-	(247,342)
Equity issued (net of costs)	641,512	-	(20,000)	15,000	636,512
As at 31 December 2015	726,137	(496,815)	-	15,000	244,322
Subsequent events					
Equity issued (net of costs)	559,488	-	-	-	559,488
Loss for the period	-	(692,500)	-	42,500	(650,000)
REVIEWED PROFORMA					
Shares issued pursuant to Prospectus	2,800,000	-	-	-	2,800,000
Share issue costs	(361,200)	-	-	-	(361,200)
Proforma total – 31 December 2015 (Minimum)	3,724,425	(1,189,315)	-	57,500	2,592,610
Additional Shares and options issued pursuant to Prospectus	750,000	-	-	55,000	805,000
Additional share issue costs	(45,900)	-	-	-	(45,900)
Proforma total – 31 December 2015 (Maximum)	4,428,525	(1,189,315)	-	112,500	3,351,710

The above should be read in conjunction with the accompanying notes.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 1

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AURORA LABS LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR TO 31 DECEMBER 2015

	<i>Reviewed Historical</i>	<i>Subsequent Events</i>	<i>Proforma Adjustments (Minimum)</i>	<i>Reviewed Proforma (Minimum)</i>	<i>Proforma Adjustments (Maximum)</i>	<i>Reviewed Proforma (Maximum)</i>
	\$	\$	\$			
<i>Cash flows from operating activities</i>						
Payments to suppliers & employees	(225,352)	(750,000)	-	(975,352)	-	(975,352)
Interest Paid	(5,895)	-	-	(5,895)	-	(5,895)
Interest received	14	-	-	14	-	14
<i>Net cash used in operating activities</i>	<i>(231,233)</i>	<i>(750,000)</i>	<i>-</i>	<i>(981,233)</i>	<i>-</i>	<i>(981,233)</i>
<i>Cash flows from investing activities</i>						
Payments for intangible assets	(24,374)	-	-	(24,374)	-	(24,374)
<i>Net cash used in investing activities</i>	<i>(24,374)</i>	<i>-</i>	<i>-</i>	<i>(24,374)</i>	<i>-</i>	<i>(24,374)</i>
<i>Cash flows from financing activities</i>						
Net proceeds from the issue of shares/options	621,512	559,488	2,438,800	3,619,800	759,100	4,378,900
Proceeds from pre-sold printers	37,998	36,000	-	73,998	-	73,998
Net proceeds from borrowings	53,654	-	-	53,654	-	53,654
<i>Net cash provided by financing activities</i>	<i>713,164</i>	<i>595,488</i>	<i>2,438,800</i>	<i>3,747,452</i>	<i>759,100</i>	<i>4,506,552</i>
Net increase in cash and cash equivalents	457,557	(154,512)	2,438,800	2,741,845	759,100	3,500,945
Cash at the beginning of the financial period	48,133	-	-	48,133	-	48,133
<i>Cash at the end of the financial period</i>	<i>505,690</i>	<i>(154,512)</i>	<i>2,438,800</i>	<i>2,789,978</i>	<i>759,100</i>	<i>3,549,078</i>

The above should be read in conjunction with the accompanying notes.

9. INVESTIGATING ACCOUNTANT'S REPORT

**AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information has been prepared in accordance with applicable accounting standards including the Australian equivalents of International Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Material accounting policies have been adopted in the preparation of the historical and proforma financial information are shown below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

Historical cost convention.

These financial statements have been prepared under the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(k).

Going concern

This financial information has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

(b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. INVESTIGATING ACCOUNTANT'S REPORT

**AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. 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 profit or loss.

(d) Impairment of assets

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 groups 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).

The above should be read in conjunction with the accompanying notes.

9. INVESTIGATING ACCOUNTANT'S REPORT

**AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Trade payables

These amounts represent liabilities for goods or services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(f) Employee Entitlements

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Based on the Company's experience of employee departures, a long service leave liability is only recognised once an employee has been employed by the Company for a period of 5 years. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(g) Issued capital

Ordinary share capital is recognised as the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(h) Share-based payment transactions

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

Where the identifiable consideration received (if any) is less than the fair value of the equity instruments granted or liability incurred, the unidentifiable goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received (or to be received) measured at the grant date.

9. INVESTIGATING ACCOUNTANT'S REPORT

**AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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 the goods are delivered and titles have passed, at which time 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 revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(j) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

9. INVESTIGATING ACCOUNTANT'S REPORT

**AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Income tax (cont'd)

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(k) Critical accounting judgements and key sources of estimation uncertainty

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 on-going 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 assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates.

9. INVESTIGATING ACCOUNTANT'S REPORT

**AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(I) Proforma transactions

The proforma Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been derived from the historical financial information as at 31 December 2015 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2015:

- i) the issue by the Company, post 31 December 2015 of 4,470,000 ordinary fully share shares raising \$595,200 less costs of the offer of \$35,712;
- ii) the issue by the Company, post 31 December 2015 of 500,000 ordinary fully paid shares to the Lead Manager or nominee, written off against share capital as costs of the issue;
- iii) the issue of 4,250,000 options, post 31 December 2015, exercisable at \$0.20 on or before 31 December 2018 for nil consideration (accounting value \$42,500);
- iv) the issue of 1,000,000 Performance Shares (classes A, B and C), post 31 December 2015 for nil consideration to the Lead Manager or nominee;
- v) the receipt by the Company of an additional \$36,000 on prepaid sales and the subsequent expenditure of approximately \$650,000 written off to profit and loss post 31 December 2015, together with \$100,000 worth of inventory purchases;
- vi) the issue by the Company pursuant to this Prospectus of up to 17,500,000 ordinary fully paid shares issued at \$0.20 each raising \$3,500,000 before the expenses of the offer:
- vii) the issue of up to 5,500,000 options (exercisable at \$0.20 on or before 31 December 2018) at \$0.01 each raising \$55,000 before expenses of the offer. This offer of options does not have a minimum subscription requirement, therefore we have included the capital raising from this offer as part of our "Maximum" disclosures in this Report;
- viii) the write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 11.10 of the Prospectus of \$407,100; and
- ix) the issue to the Lead Manager or nominee of 1,000,000 ordinary fully paid shares at \$0.20 in connection with the capital raising.

This information is also shown at a minimum capital raising of \$2,800,000. Under this scenario the costs of the Offers fall by \$45,900 to \$361,200.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 1

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AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015

2. CASH AND CASH EQUIVALENTS

	<i>Reviewed Historical</i>	<i>Subsequent Events</i>	<i>Proforma Adjustments (Minimum)</i>	<i>Reviewed Proforma (Minimum)</i>	<i>Proforma Adjustments (Maximum)</i>	<i>Reviewed Proforma (Maximum)</i>
Balance as at 31 December 2015	505,690	-	-	505,690	-	505,690
Shares issued post year end (net of costs)	-	559,488	-	559,488	-	559,488
Operating expenses post period end, including inventory purchases	-	(750,000)	-	(750,000)	-	(750,000)
Receipt of prepayments for 3D printers	-	36,000	-	36,000	-	36,000
Shares and options issued pursuant to the Prospectus	-	-	2,800,000	2,800,000	805,000	3,605,000
Share issue costs	-	-	(361,200)	(361,200)	(45,900)	(407,100)
	505,690	(154,512)	2,438,800	2,789,978	759,100	3,549,078

3. ISSUED CAPITAL

	<i>Number</i>	<i>\$</i>
Reviewed Historical		
Balance as at 31 December 2015	35,030,000	726,137
Subsequent events		
Shares issued for cash	4,470,000	595,200
Share issue costs	-	(35,712)
Share issue costs – options issued to Lead Manager (Nil value due to cost written off as share issue expenses)	500,000	-
	40,000,000	1,285,625
Reviewed Proforma		
Shares issued pursuant to prospectus	14,000,000	2,800,000
Share issue costs - cash	-	(361,200)
Share issue costs – options issued to Lead Manager (Nil value due to cost written off as share issue expenses)	1,000,000	-
Proforma balance (Minimum)	55,000,000	3,724,425
Shares issued pursuant to prospectus	3,500,000	750,000
Share issue costs - cash	-	(45,900)
Proforma balance (Maximum)	58,500,000	4,428,525

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 1

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AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015

4. PERFORMANCE SHARES

	<i>Number</i>	<i>\$</i>
Audited Historical		
Balance as at 31 December 2015	20,000,000	-
Comprising:		
Class A Performance shares	6,000,000	-
Class B Performance shares	6,750,000	-
Class C Performance shares	7,250,000	-
	20,000,000	-
Subsequent events		
Issue of performance shares to lead manager	1,000,000	-
Comprising:		
Class A Performance shares	300,000	-
Class B Performance shares	337,500	-
Class C Performance shares	362,500	-
	1,000,000	-
Total	21,000,000	-
Comprising:		
Class A Performance shares ⁽ⁱ⁾	6,300,000	-
Class B Performance shares ⁽ⁱⁱ⁾	7,087,500	-
Class C Performance shares ⁽ⁱⁱⁱ⁾	7,612,500	-
	21,000,000	-

- (i) 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.
- (ii) 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; and
- (iii) 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.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 1

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**AURORA LABS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015**

5. OPTIONS

Assuming the successful completion of all events in the Prospectus, the following options shall be on issue (exercisable at \$0.20 per share):

	<i>Number</i>
Options exercisable on or before 31 December 2018:	
Balance as at 31 December 2015	1,500,000
Issued subsequent to 31 December 2015	4,250,000
Issued pursuant to the Prospectus	5,500,000
Proforma total	11,250,000

6. CONTINGENCIES AND COMMITMENTS

The Directors are not aware of any contingencies other than as set out in the Prospectus.

7. RELATED PARTY TRANSACTIONS

Details of Directors' interests in the Company's issued capital and transactions with the Company are included in Section 11.8 of the Prospectus.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 2

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APPENDIX 2**

**AURORA LABS LIMITED
HISTORICAL FINANCIAL INFORMATION**

Set out below is summarised financial information of Aurora Labs Limited. The following information has been extracted from the audited financial statements for the period from registration to 30 June 2015.

The 2015 Auditor's report contained an emphasis of matter in relation to going concern.

**AURORA LABS LIMITED
HISTORICAL FINANCIAL INFORMATION**

***Audited
30 June 2015
\$***

CURRENT ASSETS

Cash and cash equivalents	48,133
Related party receivables	48,996
TOTAL CURRENT ASSETS	97,129

NON-CURRENT ASSETS

Plant and equipment	783
Patent applications	7,220
TOTAL NON-CURRENT ASSETS	8,003
TOTAL ASSETS	105,132

CURRENT LIABILITIES

Trade and other payables	50,013
Prepaid sales	199,967
TOTAL CURRENT LIABILITIES	249,980

TOTAL LIABILITIES

249,980

NET LIABILITIES

(144,848)

EQUITY

Issued capital	84,625
Reserves	20,000
Accumulated losses	(249,473)
TOTAL DEFICIENCY	(144,848)

The above should be read in conjunction with the accompanying notes Outlined in Appendix 1.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 2

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AURORA LABS LIMITED STATEMENT OF COMPREHENSIVE INCOME

	<i>Audited Date of registration 30 June 2015</i>
	\$
Other income	35
Research and development expenses	(183,877)
Employee benefits	(29,270)
Other expenses	(36,361)
Loss before income tax	(249,473)
Income tax expense	-
Loss for the period	(249,473)
Other comprehensive income	-
Total comprehensive loss	(249,473)

The above should be read in conjunction with the accompanying notes Outlined in Appendix 1.

AURORA LABS LIMITED STATEMENT OF COMPREHENSIVE INCOME

	<i>Issued capital</i>	<i>Accumulated losses</i>	<i>Allotment Reserve</i>	<i>Total Equity</i>
	\$	\$	\$	\$
As at registration	-	-	-	-
Loss for the period	-	(249,473)	-	(249,473)
Total comprehensive loss for the period	-	(249,473)	-	(249,473)
Shares issued during the period	84,625	-	20,000	104,625
As at 30 June 2015	84,625	(249,473)	20,000	(144,848)

The above should be read in conjunction with the accompanying notes Outlined in Appendix 1.

9. INVESTIGATING ACCOUNTANT'S REPORT

Investigating Accountant's Report – Appendix 2

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APPENDIX 2**

**AURORA LABS LIMITED
STATEMENT OF CASH FLOWS**

Set out below is summarised financial information of Aurora Labs Limited. The following information has been extracted from the audited financial statements for the period from registration to 30 June 2015.

The 2015 Auditor's report contained an emphasis of matter in relation to going concern.

	<i>Audited Date of registration to 30 June 2015</i>
	\$
<i>Cash flows from operating activities</i>	
Interest received	35
Payments to suppliers & employees	(249,321)
Interest paid	(187)
<i>Net cash used in operating activities</i>	<u>(249,473)</u>
<i>Cash flows from investing activities</i>	
Payments for property, plant & equipment	(783)
Payments for in tangible assets	(7,220)
<i>Net cash used in investing activities</i>	<u>(8,003)</u>
<i>Cash flows from financing activities</i>	
Proceeds from the issue of shares	104,625
Proceeds from pre sales of printers	199,968
Proceeds from borrowings	31,279
Repayment of borrowings	(30,263)
<i>Net cash provided by financing activities</i>	<u>305,609</u>
Net increase in cash and cash equivalents	48,133
Cash at the beginning of the financial period	-
Cash at the end of the financial period	<u>48,133</u>

The above should be read in conjunction with the accompanying notes Outlined in Appendix 1.

10. MATERIAL CONTRACTS



10.1 Introduction

Set out below are summaries of various contracts entered into by Aurora which are or may be material to the Offers or the operation of the business of Aurora or otherwise are or may be relevant to a potential investor in Aurora.

10.2 Lead Manager Mandate

Aurora entered into a corporate advisory and capital raising mandate with the Lead Manager (Alto Capital) under which (amongst other things) the Lead Manager was appointed lead manager to the Offers (**Lead Manager Mandate**). David Parker is an employee of the Lead Manager.

The material terms of the Lead Manager Mandate are as follows:

- (a) The Lead Manager has been engaged to provide corporate advisory and capital raising services on an exclusive basis, including acting as lead manager to Aurora's seed capital raisings and initial public offering.
- (b) Aurora must pay or issue (as the case may be) the following fees to the Lead Manager under the Lead Manager Mandate:
 - (i) Success fees as follows:
 - (A) on completion of seed capital raisings, issue to the Lead Manager (or its nominee) 500,000 Shares, 300,000 Class A Performance Shares, 337,500 Class B Performance Shares and 362,500 Class C Performance Shares; and
 - (B) on Aurora's admission to the Official List, a cash payment of \$50,000 and the issue to the Lead Manager (or its nominee) 1,000,000 Shares.
 - (ii) A capital raising fee equal to 6% on all funds raised up to \$3,451,000 (i.e. a maximum fee of \$207,060) and for any funds raised above that, cash amounts equal to:
 - (A) 6% of the subscription amounts for Applicants introduced to Aurora by the Lead Manager; and
 - (B) 1% of the subscription amounts for all other Applicants (i.e. those not introduced to Aurora by the Lead Manager).
 - (iii) A corporate advisory fee of \$5,000 per month for a minimum 6 month period, unless Aurora is listed before that time.
- (c) If the initial public offer does not proceed but Aurora undertakes a superior alternative funding arrangement within 6 months of the termination of the Lead Manager Mandate, then the Lead Manager will still receive:
 - (i) the success fee, the sum of \$50,000 and half the remaining Share component;
 - (ii) a cash fee equal to 1% of the funds raised under the alternative transaction; and
 - (iii) a cash fee equal to 5% of any subscription amount for applicants under the alternative transaction introduced to Aurora by the Lead Manager.

The Lead Manager Mandate otherwise contains terms and conditions considered standard for agreements of this nature.

10.3 Intellectual Property Assignment Deeds

Aurora is party to an Intellectual Property Assignment Deed with Advanced Industrial Manufacturing Pty Ltd (controlled by David Budge), David Budge, William Crisp, Jessica Snelling and Nathan Henry under which each of these counterparties assigned to Aurora all ownership and other rights that they may have in relation to certain inventions which they worked on as employees or contractors of Aurora.

Aurora is also party to a separate Intellectual Property Assignment Deed with Thomas Wilson under which Mr Wilson assigned to Aurora all ownership and other rights that he may have in relation to inventions which he worked on as a consultant for Aurora.

Both Intellectual Property Assignment Deeds are on substantially identical terms, save that Mr Wilson's deed is limited to rights that he may have in certain 3D metal printing related inventions for which he was engaged as a consultant.

Each assignor assigned to Aurora all of their right, title and interest (including intellectual property rights and rights to prevent the disclosure of confidential information) in the relevant inventions, patents, trademarks and copyright materials (as applicable).

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

10. MATERIAL CONTRACTS



10.4 Executive Director Engagement Deeds

Aurora entered into a Managing Director Engagement Deed with David Budge and an Executive Director Engagement Deed with Nathan Henry in relation to their employment with Aurora.

The material terms of these deeds are as follows:

- (a) Under their respective deed, Mr Budge was appointed Managing Director and Mr Henry was appointed Executive Director.
- (b) Mr Budge will be paid an annual salary of \$160,000 plus superannuation.
- (c) Mr Henry will be paid an annual salary of \$150,000 plus superannuation.
- (d) Mr Budge will be 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.
- (e) Each Director is expected to discharge their duties in accordance with the Constitution, any applicable corporate governance policies of Aurora, the Corporations Act and the ASX Listing Rules.
- (f) Each Director must at all times act diligently, in good faith, in the best interests of Aurora, and in a manner that is consistent with that of an executive director of a company listed on the ASX.
- (g) Each Director must make all necessary disclosures to Aurora in relation to all interests and matters which impact their independence and any matters which may give rise to a conflict of interest.
- (h) Each Director assigns to Aurora all future intellectual property rights in all inventions, designs, works and subject matter created or conceived by the Directors in the performance of their duties as an employee or Director of Aurora.
- (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).
- (j) 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.

10.5 Non-Executive Director Engagement Deeds

Aurora entered a Non-Executive Director Engagement Deed with each of Paul Kehoe, David Parker and Dick Herman in relation to their engagement as Non-Executive Directors. Each of these deeds is on substantially the same terms.

The material terms of these deeds are as follows:

- (a) Each Directors' appointment as a Non-Executive Director is subject to successful re-election by Shareholders in accordance with the Constitution and the ASX Listing Rules.
- (b) Mr Kehoe is entitled to be paid an annual director's fee of \$50,000 plus superannuation commencing from Aurora's admission to the Official List.
- (c) Mr Parker and Mr Herman are each entitled to be paid an annual director's fee of \$35,000 plus superannuation commencing from Aurora's admission to the Official List.
- (d) Each Director is expected to discharge their duties in accordance with the Constitution, any applicable corporate governance policies of Aurora, the Corporations Act and the ASX Listing Rules.
- (e) Each Director must at all times act diligently, in good faith, in the best interests of Aurora, and in a manner that is consistent with that of a non-executive director of a company listed on the ASX.
- (f) Each Director must make all necessary disclosures to Aurora in relation to all interests and matters which may impact their independence and any matters which may give rise to a conflict of interest.
- (g) Each Director assigns to Aurora all existing and future intellectual property rights in all inventions, designs, works and subject matter created or conceived by the Director in the performance of their duties or using any of Aurora's resources.

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

10. MATERIAL CONTRACTS



10.6 Company Secretarial Consultancy Agreement

Aurora is party to an agreement with Cobblestones Corporate Pty Ltd as trustee for the DRP Family Trust (**Cobblestones**) under which it engaged Cobblestones to provide company secretarial and associated corporate services. Cobblestones is a company controlled by David Parker.

The material terms of the agreement are as follows:

- (a) The effective date of the agreement is 23 November 2015.
- (b) David Parker will provide the company secretarial services for Cobblestones.
- (c) Cobblestones must perform its services with due care, diligence and skill in an orderly and workmanlike manner, and must comply with all reasonable requirements of Aurora in connection with the services, and all policies and procedures of Aurora which are put in place.
- (d) Cobblestones is responsible to the chairperson of Aurora.
- (e) Aurora must pay Cobblestones a reduced monthly fee of \$2,000 plus GST, starting from 1 February 2016.
- (f) The monthly fee payable by Aurora may be reviewed with a view to increasing it to \$5,000 plus GST per month if the scope of Aurora's business changes, such as Aurora being admitted to the Official List.
- (g) The monthly fee payable by Aurora will increase to \$5,000 plus GST if the Lead Manager monthly corporate advisory fee is terminated.
- (h) Any services provided by Cobblestones to Aurora in addition to the fixed services will be charged at \$175 per hour plus GST.
- (i) The agreement may be terminated by either party giving 30 days' written notice.
- (j) Aurora may request David Parker to resign as Company Secretary if a termination notice is given. A one month termination payment and any outstanding fees must have been paid.

The agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

10.7 Directors' Deeds of Indemnity, Insurance and Access

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

Under these deeds, Aurora has undertaken, subject to the 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 7 years after the Director has ceased to be a Director, provided that:
 - (i) Aurora may cease to maintain directors' and officers' insurance cover in favour of each Director if Aurora reasonably determines that the type of coverage is no longer available; and
 - (ii) Aurora must notify a Director if it ceases to maintain directors' and officers' insurance cover in favour of that Director; and
- (c) provide access to any company records which are relevant to the Director's holding of office with Aurora, for a period of 7 years after the Director has ceased to be a Director.

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

10.8 Confidentiality Agreements

Aurora has entered various confidentiality agreements and non-disclosure agreements with employees, consultants, advisors and other parties to whom it may disclose, or who may otherwise become privy to, commercially sensitive or confidential information (**Recipient**).

The agreements contain substantially the same provisions. Each provides for the Recipient of confidential information to give confidentiality undertakings in favour of Aurora so as to protect Aurora's confidential information.

The material terms of the agreements are as follows:

- (a) Each Recipient must only use the confidential information for the stated authorised purpose, and must ensure that all confidential information remains confidential and is not disclosed to any third parties without Aurora's written consent.

10. MATERIAL CONTRACTS



- (b) Each Recipient must return all information received that contains confidential information (other than that which is submitted orally) upon the written request of Aurora.
- (c) A Recipient does not obtain any rights of any kind to Aurora's confidential information except the right to use it for the stated authorised purpose.
- (d) Each Recipient indemnifies Aurora from any claims, loss or expenses incurred by Aurora in connection with any breach of the relevant confidentiality agreement or non-disclosure agreement by the Recipient.

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

10.9 Employee Incentive Plan Rules

Aurora has established an employee incentive plan (**Plan**) which is governed by the Employee Incentive Plan Rules (**Rules**).

Under the Plan, Aurora may grant options to subscribe for Shares (**Plan Options**) or performance rights entitling the holder to be issued Shares (**Plan Rights**) on terms and conditions set by the Board at its discretion.

The material terms of the Plan are as follows:

- (a) The purpose of the Plan is:
 - (i) to establish a method by which eligible persons can participate in the future growth and profitability of Aurora;
 - (ii) to provide an incentive and reward for eligible persons for their contribution to Aurora; and
 - (iii) to attract and retain a high standard of managerial and technical personnel for the benefit of Aurora.
- (b) The following persons can participate in the Plan if the Board makes them an offer to do so:
 - (i) a full-time or part-time employee, including an executive and non-executive Director of Aurora or its related bodies corporate;
 - (ii) a contractor of Aurora or its related bodies corporate; and
 - (iii) a casual employee of Aurora or its related bodies corporate where the employee or contractor is, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position.
- (c) Plan Options and Plan Rights (collectively **Awards**) issued under the Plan are subject to the terms and conditions set out in the Rules, which include:
 - (i) Vesting Conditions – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
 - (ii) Performance Conditions – which are conditions relating to the performance of Aurora and its related bodies corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
 - (iii) Exercise Conditions – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Options.
- (d) In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.
- (e) The Board has the unfettered and absolute discretion to administer the Plan.
- (f) Awards issued under the Plan are not transferable and will not be quoted on the ASX.

The Rules otherwise contain terms and conditions considered standard for employee incentive plan rules of this nature.

11. ADDITIONAL INFORMATION



11.1 General meeting

Aurora is to hold a general meeting of its Shareholders on 13 June 2016 (**General Meeting**).

At the General Meeting, Aurora will seek Shareholder approval for the following:

- (a) Amend the terms for each class of Performance Share so that the total number of Performance Shares across all classes that may convert to Shares on a change of control event occurring does not exceed 10% of the Shares on issue at the conversion date (see Section 11.4). This is a requirement of ASX and a pre-condition of admission to the Official List.
- (b) Amend the terms of the Existing Options so that they are identical to those of the Options under the Option Offer. The amendment will make the Existing Options freely tradable subject to any ASX imposed escrow restrictions (see Section 11.6).
- (c) Approving a limit on the maximum aggregated Directors' fees payable to Non-Executive Directors of \$250,000 per annum.

11.2 Rights and liabilities attaching to Shares

The Shares issued under this Prospectus will be fully paid ordinary shares in the capital of Aurora and will rank equally with the Existing Shares.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution of Aurora and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at Aurora's registered office.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares:

- (a) **Share capital:** All issued Shares rank equally in all respects.
- (b) **Voting rights:** At a general meeting of Aurora, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every contributing share (i.e. partly paid) held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share. Where there is an equality of votes, the chairperson has a casting vote.
- (c) **Dividend rights:** Subject to the Corporations Act, the ASX Listing Rules and any rights of persons entitled to shares with special rights to dividends (at present there are none), all dividends as declared by the Directors are to be payable on all such shares in proportion to the amount of capital paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid, unless the share is issued on terms providing to the contrary.
- (d) **Payment of dividends:** Dividends are payable out of the assets of Aurora in accordance with section 254T of the Corporations Act and as determined by the Directors, which shall be conclusive. The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other Securities of Aurora.
- (e) **Rights on winding-up:** Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the liquidator may on winding-up of Aurora, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of Aurora and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.
- (f) **Transfer of Shares:** Subject to the Constitution, Shares in Aurora may be transferred by:
 - (i) a proper ASX Settlement transfer or any other method of transferring or dealing in Shares introduced by the ASX or operated in accordance with the ASX Settlement Rules or the ASX Listing Rules as recognised under the Corporations Act; or
 - (ii) an instrument in writing in any usual or common form or in any other form that the Directors, in their absolute discretion, approve from time to time.
- (g) **Refusal to transfer Shares:** The Directors may refuse to register a transfer of Shares (other than a proper ASX Settlement transfer) only where:
 - (i) the law permits it;
 - (ii) the law requires it; or
 - (iii) the transfer is a transfer of restricted securities (as defined in ASX Listing Rule 19.12) which is, or might be, in breach of the ASX Listing Rules or any escrow agreement entered into by Aurora in respect of those restricted securities.

11. ADDITIONAL INFORMATION



- (h) **Further increases in capital:** Subject to the Constitution, the Corporations Act and the ASX Listing Rules:
 - (i) Shares in Aurora are under the control of the Directors, who may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine; and
 - (ii) the Directors have the right to grant options to subscribe for Shares, to any person, for any consideration.
- (i) **Variation of rights attaching to shares:** The rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or in certain circumstances, with the written consent of the holders of at least seventy-five percent (75%) of the issued shares of that class.
- (j) **General meeting:** Each holder of Shares will be entitled to receive notice of, and to attend and vote at, general meetings of Aurora and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

11.3 Rights and liabilities attaching to Performance Shares

Aurora has Class A, Class B and Class C Performance Shares on issue. Aurora is not offering, and will not issue, any Performance Shares under this Prospectus.

Each class of Performance Share has been issued on substantially identical terms, save for the performance milestones which are different for each class.

The terms and conditions attaching to each class of Performance Share are set out below:

- (a) **Performance Shares:** Each Class [A, B or C] Performance Share is a share in the capital of Aurora.
- (b) **General meetings:** Each Class [A, B or C] Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Aurora that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.
- (c) **No voting rights:** A Class [A, B or C] Performance Share does not entitle the Holder to vote on any resolutions proposed by Aurora except as otherwise required by law.
- (d) **No dividend rights:** A Class [A, B or C] Performance Share does not entitle the Holder to any dividends.
- (e) **No rights to return of capital:** A Class [A, B or C] Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **Rights on winding up:** A Class [A, B or C] Performance Share does not entitle the Holder to participate in the surplus profits or assets of Aurora upon winding up.
- (g) **Not transferable:** A Class [A, B or C] Performance Share is not transferable.
- (h) **Reorganisation of capital:** If at any time the issued capital of Aurora is reconstructed (including a consolidation, subdivision, reduction, cancellation or return of issued share capital), all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (i) **Application to ASX:** The Class [A, B or C] Performance Shares will not be quoted on ASX. However, if Aurora is listed on ASX at the time of conversion of the Class [A, B or C] Performance Shares into Shares, Aurora must within 10 business days apply for the official quotation of the Shares arising from the conversion on ASX.
- (j) **Participation in entitlements and bonus issues:** A Class [A, B or C] Performance Share does not entitle a Holder (in their capacity as a holder of a Class [A, B or C] Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **Amendments required by ASX:** The terms of the Class [A, B or C] Performance Shares may be amended as necessary by the Board in order to comply with the ASX Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (l) **No Other Rights:** A Class [A, B or C] Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (m) **Milestones:**
 - (i) 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.
 - (ii) 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.

11. ADDITIONAL INFORMATION



(iii) 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.

(n) **Conversion on change of control:** Notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of Aurora having received acceptances for more than 50% of Aurora's shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of Aurora or its amalgamation with any other company or companies,

that number of Class [A, B or C] Performance Shares that is equal to 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Class [A, B or C] Performance Shares then on issue as well as on a pro rata basis for each Holder. Class [A, B or C] Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(o) **Redemption if Milestone not achieved:** If the relevant Milestone is not achieved by the required date, then each Class [A, B or C] Performance Share in that class will be automatically redeemed by Aurora for the sum of \$0.00001 within 10 Business Days of non-satisfaction of the Milestone.

(p) **Conversion Procedure:** Aurora will issue the Holder with a new holding statement for the Share issued upon conversion of a Class [A, B or C] Performance Share within 10 Business Days following the conversion.

(q) **Ranking upon conversion:** The Share into which a Class [A, B or C] Performance Share may convert will rank pari passu in all respects with the existing Aurora Shares.

11.4 Proposed variation to terms of Performance Shares

As outlined in Section 11.1 above, a variation to the terms of each class of Performance Shares has been put forward for approval by Shareholders at the General Meeting.

The proposed variation provides that the total aggregated number of Performance Shares that may convert on the occurrence of a change of control event (e.g. a takeover bid) but prior to the performance milestones being satisfied, does not exceed 10% of the Shares on issue at the date of conversion.

This variation is necessary for the terms of the Performance Shares to satisfy ASX's requirements for listing. If the provided variation is not approved, Aurora will not be admitted to the Official List of ASX.

The following table sets out the current term and the proposed variation.

Current term	Proposed variation
<p>(n) Conversion on change of control: Notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:</p> <ul style="list-style-type: none"> (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of Aurora having received acceptances for more than 50% of Aurora's shares on issue and being declared unconditional by the bidder; or (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of Aurora or its amalgamation with any other company or companies, <p>that number of Class [A, B or C] Performance Shares that is equal to 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Class [A, B or</p>	<p>(n) (Conversion on change of control): Notwithstanding the relevant Milestone has not been satisfied:</p> <ul style="list-style-type: none"> (i) subject to paragraph (n)(ii), upon the occurrence of either: <ul style="list-style-type: none"> (A) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of Aurora having received acceptances for more than 50% of Aurora's shares on issue and being declared unconditional by the bidder; or (B) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of Aurora or its amalgamation with any other company or companies, then: <ul style="list-style-type: none"> (C) that number of Class [A, B or C] Performance Shares that is equal to 10% of the Shares on issue at the date of conversion under this paragraph (n)(i)

11. ADDITIONAL INFORMATION



Current term	Proposed variation
<p>C] Performance Shares then on issue as well as on a pro rata basis for each Holder. Class [A, B or C] Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.</p>	<p>will convert into an equivalent number of Shares;</p> <p>(D) the conversion will be completed on a pro rata basis for each Holder; and</p> <p>(E) Class [A, B or C] Performance Shares that are not converted into Shares under this paragraph (n)(i) will continue to be held by the Holders on the same terms and conditions; and</p> <p>(ii) if the Company has other classes of performance shares on issue (Other Performance Shares) with rights of conversion of the same or substantially similar nature to paragraph (n)(i) (Trigger Events):</p> <p>(A) the total number of Shares that may be issued under paragraph (n)(i), when aggregated with all Shares issued on conversion of Other Performance Shares due to a Trigger Event, must not exceed 10% of the Shares on issue as at the date of conversion; and</p> <p>(B) the number of Shares that will be issued under paragraph (n)(i) will be calculated as follows:</p> <p>Number of Shares = ((A / B) x 100) x C</p> <p>where:</p> <p>A = the number of Class [A, B or C] Performance Shares on issue as at the date of conversion;</p> <p>B = the total number of Class [A, B or C] Performance Shares and Other Performance Shares on issue as at the date of conversion; and</p> <p>C = the number representing 10% of the Shares on issue as at the date of conversion.</p>

11.5 Options

The Options to be issued under this Prospectus will be issued on the same terms as the 5,750,000 Options on issue at the Prospectus Date (**Existing Options**), save for the proposed variation to the terms of Existing Options as discussed at Section 11.6 below.

The terms and conditions of the Options are set out below:

- (a) **Entitlement:** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Expiry Date:** Each Option will expire at 5.00pm (WST) on 31 December 2018 (**Expiry Date**).
- (c) **Exercise Price:** Each Option will have an exercise price of \$0.20 (**Exercise Price**).
- (d) **Vesting, exercise period and lapsing:** Subject to paragraph 11.5(i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse. This paragraph, in particular the exercise of the Options, is subject to any ASX escrow restrictions that may be placed on the Options as detailed and executed in an escrow deed.
- (e) **Exercise Notice and payment:** Options may be exercised by notice in writing to Aurora (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by Aurora will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in

11. ADDITIONAL INFORMATION



connection with the exercise of Options must be in Australian currency, made payable to Aurora and crossed "Not Negotiable".

- (f) **Shares issued on exercise:** Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in Aurora.
- (g) **Quotation of Shares:** Provided that Aurora is quoted on ASX at the time, application will be made by Aurora to ASX for quotation of the Shares issued pursuant to the exercise of the Options.
- (h) **Timing of issue of Shares:** Subject to paragraph 11.5(i), within 5 business days after receipt of an Exercise Notice Aurora will allot and issue the Shares pursuant to the exercise of the Options. Aurora makes no representation that the Shares will be freely tradeable upon issue and the holder acknowledges that the Shares may be subject to the on-sale restrictions contained in sections 706 and 707 of the Corporations Act. In these circumstances, the holder agrees not to trade the Shares for so long as the Shares are subject to such restrictions.
- (i) **Shareholder and regulatory approvals:** Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to Aurora obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to Aurora in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which Aurora will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.
- (j) **Participation in new issues:** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, Aurora will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.
- (k) **Adjustment for bonus issues of Shares:** If Aurora 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):
 - (i) the number of Shares which must be issued on the exercise of a Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (l) **Adjustment for rights issue:** If Aurora makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.
- (m) **Adjustments for reorganisation:** If there is any reconstruction of the issued share capital of Aurora, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (n) **Quotation:** Aurora will not apply for quotation of the Options on ASX unless approved by the Board.
- (o) **Transferability:** The Options are freely transferable, subject to any restrictions on transfer required under the ASX Listing Rules.

11.6 Proposed variation to terms of Existing Options

As outlined in Section 11.1 above, a variation to the terms of Existing Options has been put forward for approval by Shareholders at the General Meeting.

The Existing Options are issued on the same terms as set out in Section 11.5, save for the term regarding transferability. The following table sets out the current term and the proposed variation.

Current term	Proposed variation
<p>(o) Transferability <i>Options can only be transferred with the prior written consent of Aurora (which consent may be withheld in Aurora's sole discretion).</i></p>	<p>(o) Transferability <i>The Options are freely transferable, subject to any restrictions on transfer required under the ASX Listing Rules.</i></p>

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If the proposed variation is not approved, the Options issued under this Prospectus will not will not be freely transferable and therefore not suitable for quotation. Accordingly, Aurora will not seek quotation of the Options in such circumstances and they will remain a class of unquoted Securities.

11.7 Remuneration of Directors

Aurora's Constitution provides that the Directors may be paid for their services as Directors.

The Constitution also provides that Non-Executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum set by Shareholders in a general meeting. As at the Prospectus Date, the aggregate maximum has not been set. However, Aurora is seeking Shareholder approval at the General Meeting for a cap of \$250,000 (see Section 11.1).

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the current cash remuneration of each Director.

Director	Cash remuneration (per annum, exclusive of superannuation)
Paul Kehoe	\$50,000 by way of director fees under a Non-Executive Director Engagement Deed with Aurora.
David Budge	\$160,000 by way of salary under a Managing Director Engagement Deed with Aurora.
John (Nathan) Henry	\$150,000 by way of salary under an Executive Director Engagement Deed with Aurora.
David Parker	\$35,000 by way of director fees under a Non-Executive Director Engagement Deed with Aurora.
Hendrikus (Dick) Herman	\$35,000 by way of director fees under a Non-Executive Director Engagement Deed with Aurora.

Whilst Directors have received non-cash remuneration (e.g. Options and Performance Shares), none of the Directors have a future entitlement to any further non-cash remuneration as at the Prospectus Date

11.8 Security holding interests of Directors

The following table sets out the relevant interest of each of Director in the Securities of Aurora at the Prospectus Date.

Director	Shares	Performance Shares	Options ¹
Paul Kehoe ²	1,093,750	250,000 ³	500,000
David Budge	23,946,785	14,736,483 ⁴	725,000
John (Nathan) Henry	832,151	512,094 ⁵	1,693,334
David Parker	610,000 ⁶	592,307 ⁷	Nil
Hendrikus (Dick) Herman	782,151 ⁸	481,325 ⁹	1,693,334
TOTAL	27,264,837	16,572,209	4,611,668

11. ADDITIONAL INFORMATION



Notes:

1. Existing Options are exercisable at \$0.20 each on or before 31 December 2018. If ASX's requirements for quotation in ASX Listing Rule 2.5 are met, Aurora intends to seek quotation of the Options as an additional class of quoted Securities. If these requirements are not met, the Options will remain a class of unquoted Options.
2. Securities are held by Pabasa Pty Ltd as trustee for the Kehoe Superannuation Fund, an associated entity of Paul Kehoe.
3. Comprises 75,000 Class A Performance Shares, 84,375 Class B Performance Shares and 90,625 Class C Performance Shares.
4. Comprises 4,420,945 Class A Performance Shares, 4,973,563 Class B Performance Shares and 5,341,975 Class C Performance Shares.
5. Comprises 156,628 Class A Performance Shares, 172,832 Class B Performance Shares and 185,634 Class C Performance Shares.
6. Comprises 460,000 Shares held by David Parker and 150,000 Shares held by DRP 2006 Super Pty Ltd as trustee for the DRP (2006) Superannuation Fund, an associated entity of David Parker.
7. Comprises:
 - (a) 150,000 Class A Performance Shares, 168,750 Class B Performance Shares and 181,250 Class C Performance Shares held by David Parker; and
 - (b) 27,692 Class A Performance Shares, 31,154 Class B Performance Shares and 33,461 Class C Performance Shares held by DRP 2006 Super Pty Ltd.
8. Shares are held by Kacha Pty Ltd as trustee for the Kacha Family Trust, an entity associated with Dick Herman.
9. Comprises:
 - (a) 98,243 Class A Performance Shares, 110,524 Class B Performance Shares and 118,711 Class C Performance Shares held by Dick Herman; and
 - (b) 46,154 Class A Performance Shares, 51,924 Class B Performance Shares and 55,769 Class C Performance Shares held by Kacha Pty Ltd as trustee for the Kacha Family Trust.

11.9 Directors' participation in Offers

At the Prospectus Date, each of the Directors (or their respective nominees) may participate in the Offers and subscribe for up to the number of Offer Securities as set out in the following table.

Director	Share Offer (Shares)	Option Offer (Options)
Paul Kehoe	1,000,000	1,000,000
David Budge	Nil	Nil
John (Nathan) Henry	150,000	Nil
David Parker	500,000	1,250,000
Hendrikus (Dick) Herman	150,000	Nil
TOTAL	1,800,000	2,250,000

Notes:

At the Prospectus Date, David Parker intends to subscribe for 250,000 Shares and 1,000,000 Options. Mr Parker reserves the right to increase this to the amounts set out in the table above.

11.10 Expenses of the Offers

The expenses of the Offers are expected to comprise the following estimated costs and are exclusive of any GST payable by Aurora.

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Expense	Minimum Subscription ¹	Percentage of Funds Raised (rounded)	Maximum Subscription ²	Percentage of Funds Raised (rounded)
ASIC Fees ³	\$2,320	0.08%	\$2,320	0.07%
ASX Fees	\$37,902	1.35%	\$38,502	1.08%
Lead Manager's Stamping Fees	\$168,000	6.00%	\$213,300	6.0%
Lead Manager Success Fees	\$50,000	1.79%	\$50,000	1.41%
Consultant Fees	\$27,500	0.98%	\$27,500	0.77%
Legal Fees	\$60,000	2.14%	\$60,000	1.69%
Promotion, Printing, Distribution and Registry Expenses	\$15,000	0.54%	\$15,000	0.42%
Miscellaneous Fees	\$478	0.02%	\$478	0.01%
TOTALS	\$361,200	12.90%	\$407,100	11.45%

Notes:

1. Assumes minimum subscription under the Share Offer and nil subscription under the Option Offer.
2. Assumes full oversubscription of the Offers.
3. GST does not apply to ASIC fees.

11.11 Taxation implications

The taxation obligations and the effects of participating in an Offer can vary depending on the circumstances of each individual investor. Applicants who are in doubt as to their taxation position should seek professional advice. It's the sole responsibility of Applicants to inform themselves of their taxation position resulting from participation in an Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Offer Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants.

Neither Aurora nor any of its officers or advisers accepts any responsibility or liability for any taxation consequences to Applicants in relation to the Offers.

11.12 Legal proceedings

As at the Prospectus Date, Aurora is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against Aurora.

11.13 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus:

- (a) all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the 2 years before the Prospectus Date, any interest in:
 - (i) the formation or promotion of Aurora;
 - (ii) property acquired or proposed to be acquired by Aurora in connection with its formation or promotion or the Offers; or
 - (iii) the Offers; and
- (b) amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefit have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of Aurora or the Offers.

11. ADDITIONAL INFORMATION



Expert/advisor	Service or function	Amount paid or to be paid
ACNS Capital Markets Pty Ltd trading as 'Alto Capital'	Lead Manager to the Offers Corporate advisor	Alto Capital will be paid between approximately \$221,300 and \$239,300 (plus GST) for services related to this Prospectus and the Offers. Alto Capital has been paid or is entitled to be paid approximately \$121,016 (plus GST) for corporate advisory and capital raising services provided to Aurora in the period 2 years prior to the Prospectus Date.
Kelvin Ernest Lord trading as 'Lord & Company'	Patent Attorney's Report	Lord & Company will be paid approximately \$2,500 (plus GST) for preparing the Patent Attorney's Report contained in this Prospectus. Lord & Company has been paid or is entitled to be paid approximately \$40,776 (plus GST) for patent attorney services and patent associated reimbursements provided to Aurora in the period 2 years prior to the Prospectus Date.
HLB Mann Judd (WA Partnership)	Investigating Accountant's Report Audit services	HLB Mann Judd will be paid approximately \$3,750 (plus GST) for preparing the Investigating Accountant's Report contained in this Prospectus and the Offers. HLB Mann Judd has been paid approximately \$10,000 (plus GST) for the provision of professional services in relation to the auditing services provided for Aurora and other professional services in the period 2 years prior to the Prospectus Date.
Jackson McDonald (a partnership)	Solicitors to the Offers and general legal services	Jackson McDonald will be paid approximately \$60,000 (plus GST) for services related to this Prospectus and the Offers. Jackson McDonald has been paid or is entitled to be paid approximately \$85,000 (plus GST) for legal services provided to Aurora in the period 2 years prior to the Prospectus Date, inclusive of the \$60,000 in relation to this Prospectus and the Offers.
Security Transfer Registrars Pty Ltd	Securities registry services	Security Transfer Registrars will be paid approximately \$1,750 (plus GST) for services to be provided in relation to receiving and managing subscriptions under the Offers. Security Transfer Registrars has been paid or is entitled to be paid approximately \$1,500 (plus GST) for the provision of share registry services to Aurora in the period 2 years prior to the Prospectus Date.
Cobblestones Corporate Pty Ltd	Company secretarial services	Cobblestones Corporate has been paid or is entitled to be paid approximately \$8,000 (plus GST) for the provision of company secretarial services to Aurora in the period 2 years prior to the Prospectus Date. It is noted that Cobblestones Corporate is controlled by David Parker, a Non-Executive Director and the Company Secretary of Aurora. Accordingly, David Parker obtains an indirect benefit from the fees paid to Cobblestones Corporate.
Canalys Pte Ltd	Report on 3D metal printing industry	Canalys has been or is entitled to be paid approximately \$11,000 for preparing a report on the 3D metal printing industry used by Aurora in relation to this Prospectus.

11. ADDITIONAL INFORMATION



11.14 Consent statements

The following persons have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

Party	Capacity in which named	Statement or report in this Prospectus
ACNS Capital Markets Pty Ltd trading as 'Alto Capital'	Lead Manager	Not applicable
Kelvin Ernest Lord trading as 'Lord & Company'	Patent Attorney	Patent Attorney's Report
HLB Mann Judd (WA Partnership)	Investigating Accountant Auditor of Aurora	Investigating Accountant's Report
Jackson McDonald (a partnership)	Solicitors to the Offers	Not applicable
Security Transfer Registrar Pty Ltd	Share Registrar	Not applicable
Cobblestones Corporate Pty Ltd	Company Secretarial Services	Not applicable
Canalys Pte Ltd	Industry and market consultant	Chairman's Letter Section 4 – Industry Overview

Each of the parties named above as providing their consent:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 11.14; and
- (c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section 11.14.

12. AUTHORISATION



12. Authorisation

As at the Prospectus Date, Aurora is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against Aurora.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of Aurora pursuant to a resolution of the Board by:

David Budge
Managing Director

Date: 9 June 2016

13. GLOSSARY



13.1 Defined terms

In this Prospectus, the following terms have the following meanings:

Applicant	A person who applies for Offer Securities under and in accordance with this Prospectus.
Application	A valid application for Offer Securities offered under this Prospectus.
Application Form	An application form attached to or accompanying this Prospectus.
Application Money	Money received from an Applicant in respect of an Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.
ASX Listing Rules	The listing rules of ASX.
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).
ASX Settlement Rules	The official ASX Settlement Operating Rules.
Auditor	HLB Mann Judd (WA Partnership) ABN 22 193 232 714.
Aurora	Aurora Labs Limited (ACN 601 164 505).
Beta Testing	An end-user operating a Beta Unit to identify problems before full production and commercial release of that printer model.
Beta Unit	An Aurora 3D metal printer that is, or is intended to be, in the operational testing phase prior to commercial production.
Board	The board of Directors of Aurora.
CAGR	Compound annual growth rate.
Canalys	Canalys Pte Ltd (Singapore Company Number 66719399) and its related entities.
Canalys Article	Canalys, Global 3D printing market to reach \$20.2 billion in 2019 - Market expected to grow 56% in 2015 (14 April 2015), < http://www.canalys.com/newsroom/global-3d-printing-market-reach-202-billion-2019 >.
Canalys Industry Report	The industry report commissioned by Aurora and prepared by Canalys entitled 'Metals 3D printer market overview – What is the status and future of the metal 3D printing industry?' dated April 2016.
CHESS	Clearing House Electronic Sub-register System.
Class A Performance Share	A class "A" performance share in the capital of Aurora issued on the terms set out in Section 11.3.
Class B Performance Share	A class "B" performance share in the capital of Aurora issued on the terms set out in Section 11.3.
Class C Performance Share	A class "C" performance share in the capital of Aurora issued on the terms set out in Section 11.3.
Closing Date	The date on which the Offers close, being 12 July 2016.

13. GLOSSARY



Company Secretary	The company secretary of Aurora from time to time.
Constitution	The constitution of Aurora.
Corporations Act	Corporations Act 2001 (Cth).
Director	A director of Aurora from time to time.
Executive Director	The executive Directors of Aurora from time to time.
Existing Option	An Option issued by Aurora prior to the Opening Date.
Existing Option Holder	Those persons or entities that are holders of Options as at the Prospectus Date.
Existing Performance Share	A Performance Share issued by Aurora prior to the Opening Date.
Existing Security	An Existing Share, Existing Performance Share or an Existing Option, as the case may be.
Existing Share	A Share issued by Aurora prior to the Opening Date.
Existing Shareholder	Those persons or entities that are Shareholders of Aurora as at the Prospectus Date and hold Existing Shares.
Exposure Period	The period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus within which Applications must not be processed by Aurora, in accordance with section 727(3) of the Corporations Act.
Financial Year	The financial year commencing on 1 July and ending on the next 30 June.
Glossary of Terms	This glossary of terms.
Holding Statement	A holding statement for Securities under CHESS or Security Holder Reference Number.
Investigating Accountant	HLB Mann Judd (WA Partnership) ABN 22 193 232 714.
Investigating Accountant's Report	The report of the Investigating Accountant contained in Section 9.
Issue	The issue of an Offer Security pursuant to this Prospectus.
Lead Manager	ACNS Capital Markets Pty Ltd (ACN 088 503 208) as trustee for the ACNS Unit Trust trading as 'Alto Capital'.
Large Format Printer or LFP	Aurora's 'Titan' large format 3D metal printer, currently under design and development.
Managing Director	The managing director of Aurora from time to time.
Medium Format Printer or MFP	Aurora's 'Europa' medium format 3D metal printer, currently under design and development.
Non-Executive Directors	The non-executive Directors of Aurora from time to time.
OEM	An original equipment manufacturer or third party holder of intellectual property rights in a part, component or piece of equipment.
Offer Period	In relation to an Offer, the period between the Opening Date and the Closing Date of that Offer.
Offer Price	The offer price of an Offer Security under this Prospectus.

13. GLOSSARY



Offer Securities	A Share or an Option offered under this Prospectus.
Offers	The Share Offer and the Option Offer, or either of those offers, as the context requires.
Opening Date	The date on which the Offers open, being 16 June 2016.
Option	An option to subscribe for a Share on the terms set out in Section 11.5.
Option Holder	A holder of an Option.
Option Offer	The offer to the public of up to 5,500,000 Options at an issue price of \$0.01 each to raise up to \$55,000 (before costs).
Patent Attorney	Kelvin Ernest Lord trading as 'Lord & Company' (ABN 93 549 078 091).
Patent Attorney's Report	The report of the Patent Attorney contained in section 8.
Patent Cooperation Treaty or PCT	The Patent Cooperation Treaty signed on 19 June 1970, amended on 28 September 1979, modified on 3 February 1984 and 3 October 2001.
Performance Share	A Class A Performance Share, Class B Performance Share or Class C Performance Share, as the context requires.
Prospectus	This prospectus and any supplementary or replacement prospectus.
Prospectus Date	The date this Prospectus was lodged with ASIC, being 9 June 2016.
Securities	Has the meaning given to that term in section 92(4) of the Corporations Act.
Small Format Printer or SFP	Aurora's 'S-Titanium' range of small format 3D metal printers.
Share	A fully paid ordinary share in the capital of Aurora.
Share Offer	The offer to the public of 14,000,000 Shares at an issue price of \$0.20 each to raise up to \$2,800,000 (before costs) with capacity to accept oversubscriptions for a further 3,500,000 Shares to raise up to an additional \$700,000 (before costs).
Share Registry	Security Transfer Registrar Pty Ltd (ABN 95 008 894 488).
Shareholder	A holder of a Share.
Wohlers Report	Wohlers Associates, Inc, Wohlers Report 2016 – 3D Printing and Additive Manufacturing State of the Industry, Annual Worldwide Progress Report (2016), www.wohlersassociates.com/2016_report.htm .
WST	Australian Western Standard Time.



Photo: S-Titanium Pro gas gauges

13. GLOSSARY



13.2 Glossary of technical and industry terminology

The following is an explanation of the various technical and industry terms used in this Prospectus

3D printing

An additive manufacturing process that involves translating a computer-aided design (CAD) digital model into a solid three-dimensional object, achieved by successively layering materials in a particular pattern to build up the required three-dimensional shape.

3D metal printing

3D printing to produce metallic parts by using (without limitation) selective laser melting, selective laser sintering and/or directed energy deposition.

Additive manufacturing

The process of joining materials to make objects from 3D model data, usually layer upon layer.

Alloy

A metal produced through the combination of two metals or a combination of one or more metals with other elements.

Directed energy deposition (DED)

A process used in 3D metal printing where, after the first digital slice is received from the computer, the printer then scans the surface of the previous layer in the exact shape of the slice while powder is being fed into the point where the focal point of the laser meets the substrate. This welds the metal to the substrate below forming a highly dense layer. This process is repeated until a part is complete.

On the fly alloying

The process of blending two metal or pre-alloyed powders to produce a new alloy in the weld pool during the 3D metal printing process. The metals or alloys combine while at or above their liquidus temperature (the temperature above which the material is liquid) and in a molten state, creating an alloy with distinct properties to either of the constituent powders.

Proof-of-concept

A term to describe the stage of product development where the key theories and assumptions are tested in a physical apparatus in order to demonstrate the validity, or otherwise, of those theories and assumptions.

Pseudo alloying

The process of blending two metal or pre-alloyed powders to produce a pseudo alloy in the weld pool during the 3D metal printing process. The metals or alloys combine while near or below their liquidus temperature (the temperature above which the material is liquid) which allows the metals to fully bond to adjacent but distinct metals or alloys.

Rapid prototyping

The rapid creation of a model of a part or component using three-dimensional computer aided design data.

Selective laser melting (SLM)

A process used in 3D metal printing where, after the first digital slice is received from the computer, the printer lays down a layer of powder and then scans the surface of the powder in the exact shape of the slice, welding the metal to the substrate below forming a highly dense layer. This process is repeated until a part is complete.

Selective laser sintering (SLS)

A process used in 3D metal printing where, after the first digital slice is received from the computer, the printer lays down a layer of powder and then scans the surface of the powder in the exact shape of the slice. However, instead of welding the metal to the substrate as with SLM, the powder is heated to less than the melting point of the metal. This causes a bonding process known as sintering to occur. This process is repeated until a part is complete. Typically parts made in this way require a post heat treatment to create a fully dense and functional part.

Back Cover photos

1. S-Titanium Pro gas gauges
2. S-Titanium Pro print head
3. Manufacture of S-Titanium Pro
4. Manufacture of S-Titanium Pro



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