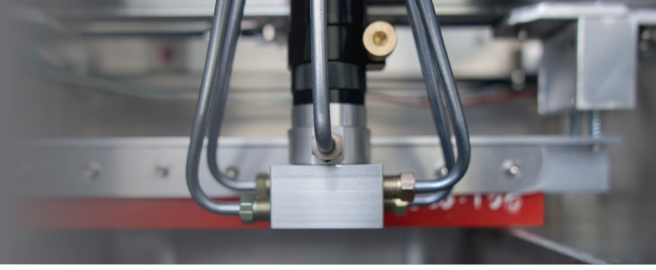

ASX ANNOUNCEMENT **18 January 2017**

COMPANY UPDATE 2016

Aurora Labs Limited (Aurora) (ASX code: A3D) are pleased to bring you our corporate update following the end of the 2016 calendar year.

Some of Aurora's milestones achieved in 2016 include the following:

- Substantial improvements to the initial design of the S-Titanium range of small format printers.
- CE Mark Mechanical and EMC Technical File submissions (awaiting approval).
- Changed design and produced relevant documentation for S-Titanium range to conform to laser product requirements for Center for Devices and Radiological Health (CDRH) a division of the U.S. Food and Drug Administration (FDA). Now on accession list and approved for import to the US.
- First public display of S-Titanium printer at Autodesk Manufacturing Innovation Event.
- Commenced Beta testing of S-Titanium range.
- Delivered first production S-Titanium printer to an Australian customer.
- Established full production line for S-Titanium range and begun full production.
- Moved to final negotiations for first key printer distributorship in the European market.
- Completed initial design of all medium format printer/large format printer (MFP and LFP) proof of concept sub-systems.
- Manufacture and testing of each individual sub-system of the MFP/LFP proof of concept machine.
- Completion of preliminary assembly of MFP/LFP proof of concept.
- Applied for additional patents.
- Moved to new premises in Bibra Lake with space for S-Titanium production line and MFP/LFP proof of concept development.
- Begun negotiations for strategic alliances and commercial ventures.

AURORA LABS LTD
Principal Address 12A Ambitious Link, Bibra Lake WA 6163 Postal Address PO Box 1531, Bibra Lake DC, WA 6965
Telephone +61 8 9434 1934 Email enquiries@auroralabs3d.com ACN 601 164 505 ASX Code A3D

Substantial improvements

The year began with the implementation of the design refinement process that had begun at the end of 2015. Preliminary work also began on building the sub-systems for the MFP/LFP proof of concept.

CE Mark and FDA-CDRH

The requirement for modifying the design of the SFP for FDA-CDRH requirements to allow import of the S-Titanium range into the USA as well as the need to meet CE Mark requirements was scoped and contractors engaged to assist with these processes. These changes were incorporated into the current design and the S-Titanium range is now included on the accession list for laser products imported into the United States. The CE Mechanical and EMC Technical files have been completed and continue to be evaluated. Aurora's application for CE Mark approval is also pending.

Beta testing

In May 2016, in-house Beta testing commenced with early models of the modified design of the S-Titanium Pro.

Public display - Manufacturing Innovation Event

The S-Titanium Pro had its first public showing on September 29th 2016 at the Autodesk Manufacturing Innovation Event. The event was held at Technology Park, Bentley and had over 180 participants from the engineering and design community.

First production S-Titanium delivered

In December 2016, Aurora delivered the first production printer from the S-Titanium range to an ex-Kickstarter purchaser.

Beta Process Complete

Completion of the Beta process allowed us to move to full production of the S-Titanium range of 3D Metal printers. Aurora currently has 18 printers in production to the current design. Shipping of further units will be ongoing as they complete in-house QA/QC and print

AURORA LABS LTD
Principal Address 12A Ambitious Link, Bibra Lake WA 6163 Postal Address PO Box 1531, Bibra Lake DC, WA 6965
Telephone +61 8 9434 1934 Email enquiries@auroralabs3d.com ACN 601 164 505 ASX Code A3D

checks.

Strategic alliances and commercial ventures

Aurora is currently negotiating the terms of several key distributorships including potential distributors in Germany, Scandinavia and India. The provision by the distributors of factory trained and approved service personnel for its products is a key condition of the contracts Aurora is negotiating. The first trainee will be trained at Aurora's factory in February 2017. The top tier distributors will also be required to keep minimum stock levels that will be negotiated based on the region they will service.

MFP/LFP

The MFP/LFP printer is closely following its intended development trajectory with initial design ongoing over a large part of the year. Sub-systems were completed and tested at different times throughout the year. The sub-systems have now been assembled into a single, proof of concept, machine which is now being prepared for a whole system test that is expected to take place between January and February 2017. Comprehensive trials will begin immediately after completion of successful testing.

Patent Applications

Continuing the pattern of innovation and intellectual property protection, Aurora has applied for 3 additional patents in Australia and 4 additional patents under the Patent Cooperation Treaty (PCT) over the past year.

Increasing resources and capacity

Having outgrown the premises at Myaree, Aurora moved in August to a larger premises in Bibra Lake. With an area over 4 times what it had before, the new premises better accommodates current production and development.

AURORA LABS LTD
Principal Address 12A Ambitious Link, Bibra Lake WA 6163 Postal Address PO Box 1531, Bibra Lake DC, WA 6965
Telephone +61 8 9434 1934 Email enquiries@auroralabs3d.com ACN 601 164 505 ASX Code A3D

Having begun the year with 3 full time staff and 1 part time employee, Aurora now has 21 full time staff with another 3 part time or casual employees and 1 contractor.

Forward Looking Statements

This announcement 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 date of this announcement, 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 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 announcement will actually occur.

For further information please contact:

enquiries@auroralabs3D.com

ABOUT AURORA LABS

Aurora Labs is an Australian based 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 seeking to meet the market need for affordable small format printers, as well as for industrial grade, high speed, large format 3D metal printers that can be used in large-scale industrial manufacturing on a cost effective basis.

Aurora Labs is listed on the Australian Securities Exchange (ASX:A3D).

To learn more about Aurora Labs please visit: www.auroralabs3d.com