## AURORA LABS LIMITED

## ACN 601 164 505

## NOTICE OF GENERAL MEETING

#### The general meeting of the Company will be held at 41-43 Wittenberg Drive, Canning Vale, Western Australia on Thursday, 30 May 2024 at 10.00am (AWST).

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

Shareholders may vote by directed proxy. Proxy forms for the meeting should be lodged before 10.00am (AWST) on Tuesday, 28 May 2024.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to <u>enquiries@auroralabs3d.com</u> by no later than 10.00am on Tuesday, 28 May 2024. If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.

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

## AURORA LABS LIMITED ACN 601 164 505

## NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of shareholders of Aurora Labs Limited (**Company**) will be held at 41-43 Wittenberg Drive, Canning Vale, Western Australia on Thursday, 30 May 2024 at 10.00am (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 28 May 2024 at 5.00pm.

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

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

## AGENDA

# 1 Resolution 1 – Ratification of Placement Shares pursuant to Listing Rule 7.1

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

'That, pursuant to and in accordance with Listing Rule 7.4 and or all other purposes, Shareholders ratify the prior issue of 36,205,861 Shares on the terms and conditions in the Explanatory Memorandum.'

#### Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of Shares or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# 2 Resolution 2 – Ratification of Placement Shares pursuant to Listing Rule 7.1A

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

'That, pursuant to and in accordance with Listing Rule 7.4 and or all other purposes, Shareholders ratify the prior issue of 28,960,806 Shares on the terms and conditions in the Explanatory Memorandum.'

#### Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of Shares or an associate of that person or those persons.

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

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

# **3** Resolution 3 – Issue of Placement Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 32,583,333 Options on the terms and conditions in the Explanatory Memorandum.'

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Options (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

# 4 Resolution 4 – Issue of Placement Shares and Placement Options to Mr Grant Mooney

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

'That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Mr Grant Mooney (and/or his nominees) to participate in the Placement for up to 1,666,667 Shares and 833,333 Options, on the terms and conditions in the Explanatory Memorandum.'

#### **Voting Exclusion**

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

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

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

# 5 Resolution 5 – Issue of Placement Shares and Placement Options to Mr Mel Ashton

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

'That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Mr Mel Ashton (and/or his nominees) to participate in the Placement for up to 1,000,000 Shares and 500,000 Options, on the terms and conditions in the Explanatory Memorandum.'

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Mel Ashton (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of Shares and Options (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any associate of those persons.

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

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

# 6 Resolution 6 – Issue of Placement Shares and Placement Options to Mr Terry Stinson

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

'That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Mr Terry Stinson (and/or his nominees) to participate in the Placement for up to 166,667 Shares and 83,333 Options, on the terms and conditions in the Explanatory Memorandum.'

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Terry Stinson (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of Shares and Options (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any associate of those persons. However, this does not apply to a vote cast in favour of the resolution by:

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

# 7 Resolution 7 – Issue of Advisor Options

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 3,000,000 Options to Oracle Capital Group (and/or its nominees) on the terms and conditions in the Explanatory Memorandum.'

#### Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Oracle Capital Group (and/or its nominees) and any other person who expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Options (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Dated: 29 April 2024

BY ORDER OF THE BOARD

(mant ) Toomy

Grant Mooney Non-Executive Chairman and Company Secretary

## AURORA LABS LIMITED ACN 601 164 505

## **EXPLANATORY MEMORANDUM**

## 1 Introduction

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

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

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

Section 2	Action to be taken by Shareholders		
Section 3	Background		
Section 4	Resolutions 1 and 2– Ratification of Placement Shares issued pursuant to Listing Rules 7.1 and 7.1A		
Section 5	Resolution 3 – Issue of Placement Options		
Section 6	Resolutions 4, 5 and 6 – Issue of Placement Shares and Placement Options to Mr Grant Mooney, Mr Mel Ashton and Mr Terry Stinson		
Section 7	Resolution 7 – Issue of Advisor Options		
Schedule 1	Definitions		
Schedule 2	Terms and Conditions of the Placement Options and Advisor Options		

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

# 2 Action to be taken by Shareholders

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

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

#### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the

Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

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

Proxy Forms must be received by the Company no later than 10.00am on Tuesday, 28 May 2024, being at least 48 hours before the Meeting.

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

#### 2.2 Attendance at Meeting

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

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

## 3 Background

#### 3.1 Background

On 22 April 2024, the Company announced that it had received firm commitments for a placement of new shares to raise \$2,040,000 (before costs) at \$0.03 per Share (**Placement**).

The Placement comprises:

- (a) the issue of 36,205,861 Shares to professional and sophisticated investors utilising the Company's existing placement capacity under Listing Rule 7.1;
- (b) the issue of 28,960,806 Shares to professional and sophisticated investors utilising the Company's existing placement capacity under Listing Rule 7.1A; and
- (c) subject to Shareholder approval, the issue of 2,833,334 Shares to certain Directors of the Company (and/or their respective nominee(s)) to participate in the Placement,

(together, the **Placement Shares**) with one (1) free-attaching unlisted Option (exercisable at \$0.045 per Option on or before 22 December 2025) for every two (2) Placement Shares issued (**Placement Options**).

The issue of Shares to the Directors of the Company and the Placement Options are subject to Shareholder approval.

Oracle Capital Group acted as Lead Manager to the Placement (Lead Manager). In consideration for services provided by the Lead Manager, the Company will pay the Lead Manager a 6% fee on funds raised by the Lead Manager (and 2% on other funds raised by the Company) and will issue the Lead Manager 3,000,000 Options on the same terms as the Placement Options.

Resolutions 1 to 6 (inclusive) seek Shareholders' ratification or approval (as applicable) of the issue or proposed issue of the Placement Shares and Placement Options. Each of those Resolutions concerns a different component of the Placement.

Refer to the Company's announcement of 22 April 2024 for further details of the Placement.

#### 3.2 Indicative use of funds

The proceeds raised from the Placement are intended to be used for the following activities:

- (a) further testing of the defence and aerospace focussed gas turbine;
- (b) delivery of the AL250 Printer;
- (c) construction of the MCP Prototype;
- (d) general working capital requirements; and
- (e) costs of the Placement.

The Board reserves the right to reallocate funds for alternative purposes, as may be deemed necessary by the Board.

#### 3.3 Capital structure

The effect of the issue of the Placement Shares and Placement Options (assuming no further Shares are issued, no Options are exercised and no Performance Rights are converted) is as follows:

Class	Shares	Options	Performance Rights
Securities on issue as at the date of this Notice	289,608,068	43,443,774	11,537,182
Placement Shares (Resolution 1)	36,205,861	-	-
Placement Shares (Resolution 2)	28,960,806	-	-
Placement Options (Resolution 3)	-	32,583,333	-
Securities to be issued to Directors under the Placement (Resolutions 4 to 6)	2,833,334	1,416,666	-
Securities to be issued to Lead Manager (Resolution 7)	-	3,000,000	-
Total	357,608,069	80,443,773	11,537,182

# 4 Resolution 1 and 2 – Ratification of Placement Shares pursuant to Listing Rules 7.1 and 7.1A

#### 4.1 Background

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 (and for all other purposes) of the issue of 36,205,861 Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 (and for all other purposes) of the issue of 28,960,806 Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1A.

The Placement was announced on 22 April 2024. Refer to Section 3 for further details of the Placement.

Resolutions 1 and 2 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 1 and 2.

#### 4.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 provides that the Company is entitled to issue or agree to issue Equity Securities up to 15% of its issued share capital during any 12-month period, subject to specific restrictions, without needing prior Shareholder approval (**15% Placement Capacity**).

In addition to its 15% Placement Capacity, the Company obtained Shareholder approval pursuant to Listing Rule 7.1A at its 2023 annual general meeting to issue Equity Securities up to 10% of its issued share capital over a 12-month period after the Company's 2023 annual general meeting, without needing prior Shareholder approval (**10% Placement Capacity**).

The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% Placement Capacity, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The effect of passing Resolutions 1 and 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% Placement Capacity set out in Listing Rule 7.1 and the 10% Placement Capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolutions 1 and 2 are not passed, the Placement Shares will be included in the Company's 15% Placement Capacity set out in Listing Rule 7.1 and the 10% Placement Capacity set out in Listing Rule 7.1A, for the 12 month period following the issue of the Placement Shares.

#### 4.3 Information required by Listing Rule 7.5

The following information in relation to Resolutions 1 and 2 is provided to Shareholders for the purposes of Listing Rule 7.5:

(a) the Placement Shares were issued to professional and sophisticated investors who participated in the Placement and identified by the Lead Manager and the Company. No Placement Shares were issued to any related party, Key Management Personnel, substantial shareholder or adviser of the Company or any of their associates.

- (b) a total of 65,166,667 Shares were issued under the Placement, of which:
  - (i) 36,205,861 Shares were issued under Listing Rule 7.1, ratification of which is sought under Resolution 1; and
  - (ii) 28,960,806 Shares were issued under Listing Rule 7.1A, ratification of which is sought under Resolution 2;
- (c) the Placement Shares are fully paid ordinary shares and rank equally in all respects with the Company's existing Shares.
- (d) the Placement Shares have an issue price of \$0.03.
- (e) the Placement Shares will be issued on or around 30 April 2024.
- (f) funds raised from the issue of the Placement Shares are proposed to be used as detailed in Section 3.2.
- (g) a voting exclusion statement is included in the Notice for Resolutions 1 and 2.

#### 4.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolutions 1 and 2.

## 5 Resolution 3 – Issue of Placement Options

#### 5.1 General

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 (and for all other purposes) for the issue of up to 32,583,333 Options.

The Placement Options will be issued to investors who are issued Placement Shares. The Placement Options are proposed to be free-attaching on the basis of one (1) Placement Option for every two (2) Placement Shares issued under the Placement. The terms and conditions of the Placement Options are detailed in Schedule 2.

The Placement was announced on 22 April 2024. Refer to Section 3 for further details of the Placement.

Resolution 3 is an ordinary resolution.

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

#### 5.2 Listing Rule 7.1

Refer to Section 4.2 for a summary of Listing Rule 7.1.

Resolution 3 seeks Shareholder approval to issue up to 32,583,333 Options for the purposes of Listing Rule 7.1 (and for all other purposes).

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Placement Options (and Shares issued on exercise of the Placement Options) without using any of the Company's 15% Placement Capacity. In addition, the issue of the Placement Options (and Shares issued on exercise of the Placement Options) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the issue of the Placement Options will only proceed to the extent that the Company has the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1. If the Company does not have the

available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1, the issue of the Placement Options will not be able to proceed.

#### 5.3 Information required by Listing Rule 7.3

The following information in relation to Resolution 3 is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The Placement Options will be issued to existing shareholders of the Company. No Placement Options will be issued to a related party of the Company, a member of the Key Management Personnel, a substantial shareholder in the Company or an adviser of the Company or any of their associates.
- (b) The maximum number of Placement Options the Company may issue under this Resolution 3 is 32,583,333 Options.
- (c) The Placement Options have an exercise price of \$0.045 each and will expire on 22 December 2025. The terms and conditions of the Placement Options are detailed in Schedule 2.
- (d) The Placement Options will be issued no later than three months following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The Placement Options will be issued for nil cash consideration, as they are freeattaching on the basis of one (1) free-attaching Placement Option for every two (2) Placement Shares to be issued.
- (f) No funds will be raised by the issue of the Placement Options, as they are freeattaching on the basis of one (1) free-attaching Placement Option for every two (2) Placement Shares to be issued.
- (g) A voting exclusion is included in the Notice for Resolution 3.

#### 5.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

# 6 Resolutions 4, 5 and 6 – Issue of Placement Shares and Placement Options to Mr Grant Mooney, Mr Mel Ashton and Mr Terry Stinson

#### 6.1 General

Resolutions 4, 5 and 6 seek Shareholder approval pursuant to and in accordance with Listing Rule 10.11 (and for all other purposes) to issue (in aggregate) up to 2,833,334 Shares (at an issue price of \$0.03 per Share) and up to 1,416,666 Options to certain Directors, being Mr Grant Mooney, Mr Mel Ashton and Mr Terry Stinson (and/or their respective nominee(s)) pursuant to the Placement and on the same terms as unrelated participants (together, the **Related Party Securities**).

The Placement was announced on 22 April 2024. Refer to Section 3 for further details of the Placement.

Any participation by Messrs Mooney, Ashton and Stinson under the Placement will be additional to, and not part of, the total number of Placement Shares and Placement Options for which Shareholder approval is sought under Resolutions 1, 2 and 3.

The Company is proposing to issue:

- (a) up to 1,666,667 Shares and up to 833,333 Options to Mr Grant Mooney (and/or his nominee(s)) under Resolution 4;
- (b) up to 1,000,000 Shares and up to 500,000 Options to Mr Mel Ashton (and/or his nominee(s)) under Resolution 5; and
- (c) up to 166,667 Shares and up to 83,333 Options to Mr Terry Stinson (and/or his nominee(s)) under Resolution 6;

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

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

Resolutions 4, 5 and 6 are ordinary resolutions.

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

#### 6.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Grant Mooney, Mr Mel Ashton and Mr Terry Stinson, current Directors, are related parties of the Company for the purposes of section 208 of the Corporations Act. The issue of the Related Party Securities to each of Messrs Mooney, Ashton and Stinson (and/or their respective nominees) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

It is the view of the Directors that the issue of Related Party Securities to each of Mr Grant Mooney, Mr Mel Ashton and Mr Terry Stinson (and/or their respective nominees) under the Placement, in accordance with Resolutions 4 to 6 (inclusive), falls under the arm's length exception in section 210 of the Corporations Act, as any participation in the Placement will be on the same terms as those offered to other investors, who are not related parties of the Company. Accordingly, Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act.

#### 6.3 Listing Rule 10.11

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

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

unless it obtains shareholder approval.

The issue of the Related Party Securities to Mr Grant Mooney, Mr Mel Ashton and Mr Terry Stinson (and/or their respective nominee(s)) falls within paragraph (a) above (being Listing Rule 10.11.1), as Messrs Mooney, Ashton and Stinson are Related Parties to the Company, and does not fall within any of the exceptions in Listing Rule 10.12. It, therefore, requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval to issue up to 1,666,667 Shares and up to 833,333 Options to Mr Grant Mooney (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

Resolution 5 seeks the required Shareholder approval to issue up to 1,000,000 Shares and up to 500,000 Options to Mr Mel Ashton (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

Resolution 6 seeks the required Shareholder approval to issue up to 166,667 Shares and up to 83,333 Options to Mr Terry Stinson (and/or his nominee(s)) under and for the purposes of Listing Rule 10.11 (and for all other purposes).

If Resolution 4, 5 or 6 is passed, the Company will be able to proceed with the issue of the relevant Related Party Securities to the relevant Related Party (and/or his nominee(s)) and pursuant to Listing Rule 7.2 (exception 14), the issue of the relevant Related Party Securities will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4, 5 or 6 is not passed, the Company will not be able to proceed with the issue of the relevant Related Party Securities to the relevant Related Party (and/or his nominee(s)), and the Company will not be able to raise funds from issuing Related Party Securities to that Director and may seek to raise them from alternate investors.

#### 6.4 **Specific information required by Listing Rule 10.13**

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

- (a) The Related Party Securities will be issued to:
  - (i) Mr Grant Mooney (and/or his nominee(s)) under Resolution 4;
  - (ii) Mr Mel Ashton (and/or his nominee(s)) under Resolution 5; and
  - (iii) Mr Terry Stinson (and/or his nominee(s)) under Resolution 6.
- (b) Messrs Mooney, Ashton and Stinson fall within Listing Rule 10.11.1 as they are Related Parties of the Company by virtue of Messrs Mooney, Ashton and Stinson being Directors.
- (c) The maximum number of Related Party Securities to be issued to:
  - (i) Mr Grant Mooney (and/or his nominee(s)) is 1,666,667 Shares and 833,333 Options pursuant to Resolution 4;
  - (ii) Mr Mel Ashton (and/or his nominee(s)) is 1,000,000 Shares and 500,000 Options pursuant to Resolution 5; and
  - (iii) Mr Terry Stinson (and/or his nominee(s)) is 166,667 Shares and 83,333 Options pursuant to Resolution 6.
- (d) The Placement Options have an exercise price of \$0.045 each and will expire on 22 December 2025. The terms and conditions of the Placement Options are detailed in Schedule 2. The Placement Shares will be fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue.

- (e) The Placement Shares will have an issue price of \$0.03 per Share, raising a total of \$85,000 (before costs). The Placement Options will be issued for nil cash consideration, as they are free-attaching on the basis of one (1) free-attaching Placement Option for every two (2) Placement Shares to be issued.
- (f) The Related Party Securities will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (g) Funds raised from the issue of the Related Party Securities to Messrs Mooney, Ashton and Stinson (and/or their respective nominee(s)) are intended to be used as detailed in Section 3.2. No funds will be raised by the issue of the Placement Options as they are free-attaching on the basis of (1) free-attaching Placement Option for every two (2) Placement Shares to be issued.
- (h) A voting exclusion statement is included in the Notice for Resolutions 4, 5 and 6.

#### 6.5 Board Recommendation

The Board (excluding Mr Grant Mooney) recommends that Shareholders vote in favour of Resolution 4.

The Board (excluding Mr Mel Ashton) recommends that Shareholders vote in favour of Resolution 5.

The Board (excluding Mr Terry Stinson) recommends that Shareholders vote in favour of Resolution 6.

# 7 Resolution 7 – Issue of Advisor Options

#### 7.1 General

Oracle Capital Group acted as Lead Manager to the Placement. The Company agreed to issue 3,000,000 Options to the Lead Manager as part consideration for providing lead manager services to the Company (**Advisor Options**).

The Advisor Options each have an exercise price of \$0.045 per Option and expire on 22 December 2025. The terms and conditions of the Advisor Options are detailed in Schedule 2.

The Placement was announced on 22 April 2024. Refer to Section 3 for further details of the Placement.

Resolution 7 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 (and for all other purposes) for the issue of up to 3,000,000 Options.

Resolution 7 is an ordinary resolution.

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

#### 7.2 Listing Rule 7.1

Refer to Section 4.2 for a summary of Listing Rule 7.1.

Resolution 7 seeks Shareholder approval to issue up to 3,000,000 Options for the purposes of Listing Rule 7.1 (and for all other purposes).

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Advisor Options (and Shares issued on exercise of the Advisor Options) without using any of the Company's 15% Placement Capacity. In addition, the issue of the Advisor Options (and Shares issued on exercise of the Advisor Options) will be excluded from the calculation of the

number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the issue of the Advisor Options will only proceed to the extent that the Company has the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1. If the Company does not have the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1, the issue of the Advisor Options will not be able to proceed.

#### 7.3 Information required by Listing Rule 7.3

The following information in relation to Resolution 7 is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The Advisor Options will be issued to Oracle Capital Group (and/or its nominees). Oracle Capital Group is not a related party of the Company, a member of the Key Management Personnel or a substantial shareholder in the Company or an associate of any of those persons.
- (b) The maximum number of Options the Company may issue under this Resolution 7 is 3,000,000 Options.
- (c) The Advisor Options have an exercise price of \$0.045 each and will expire on 22 December 2025. The terms and conditions of the Advisor Options are detailed in Schedule 2.
- (d) The Advisor Options will be issued no later than three months following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The Advisor Options will be issued for nil cash consideration as they are being issued as part consideration for Oracle Capital Group providing lead manager services to the Company. No funds will be raised by the issue of the Advisor Options
- (f) Under the Company's agreement with Oracle Capital Group, the Company agreed to issue 3,000,000 Options to Oracle Capital Group, subject to Shareholder approval. The Company also agreed to pay Oracle Capital Group a 6% fee on funds raised by Oracle Capital Group (and 2% on other funds raised by the Company). All material terms of the agreement have been provided in the Notice.
- (g) A voting exclusion is included in the Notice for Resolution 7.

#### 7.4 Board recommendation

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

#### Schedule 1

#### Definitions

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

\$ means Australian Dollars.

10% Placement Capacity has the meaning given in Section 4.2.

15% Placement Capacity has the meaning given in Section 4.2.

Advisor Options has the meaning given in Section 7.1.

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

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

Board means the board of Directors.

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

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

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

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

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

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Lead Manager has the meaning given in Section 3.1.

Listing Rules means the listing rules of ASX.

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

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

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

Performance Right means a right to acquire a Share.

Placement has the meaning given in Section 3.1.

Placement Options has the meaning given in Section 3.1.

Placement Shares has the meaning given in Section 3.1.

**Proxy Form** means the proxy form attached to the Notice.

**Related Party** has the meaning given in section 228 of the Corporations Act or the Listing Rules (as applicable).

Related Party Securities has the meaning given in Section 6.1.

Resolution means a resolution contained in the Notice.
Schedule means a schedule to this Explanatory Memorandum.
Section means a section of this Explanatory Memorandum.
Share means a fully paid ordinary share in the capital of the Company.
Shareholder means a shareholder of the Company.

#### Schedule 2

#### Terms and Conditions of the Placement Options and Advisor Options

#### (a) Entitlement

Each Option entitles the holder (Holder) to subscribe for one (1) Share upon exercise.

#### (b) Exercise Price and Expiry Date

The exercise price of the Options is \$0.045 (Exercise Price).

Each Option will expire on 22 December 2025 (Expiry Date).

#### (c) Exercise Period

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

#### (d) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the applicable Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

#### (e) Shares Issued on Exercise

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

#### (f) Quotation of Shares

The Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

#### (g) Timing of Issue of Shares and Quotation of Shares on Exercise

Within five (5) business days after the later of the following:

- (i) receipt of a Notice of Exercise and payment of the applicable Exercise Price for each Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as detailed in clause (d) above,

the Company will:

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

If, for any reason, a notice delivered under paragraph (d) is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than twenty (20) business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

#### (h) 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.

#### (i) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

#### (j) Adjustment for Rights Issue

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

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

where:

O' = the new Exercise Price of the Option.

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one (1) Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the five (5) trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

#### (k) Adjustments for Reorganisation

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

## (I) Quotation of Options

The Company will make no application for quotation of the Options.

## (m) Transferability

The Options are not transferable.