

ASX Announcement

CORPORATE DIRECTORY

Chairman

PAUL KRISTENSEN

Founder, Managing Director
DAVID BUDGE

Business Development
and Marketing Director
NATHAN HENRY

Non-Executive Director
MEL ASHTON

Non-Executive Director
and Company Secretary
MATHEW WHYTE

FAST FACTS

Issued Capital: 65.4m
Quoted Options: 3.7m
Unquoted Options: 12.4m
Market Cap: \$40.5m
Cash: \$5.76m
(At 31 March 2018)

CONTACT DETAILS

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ASX CODE: A3D
ACN: 601 164 505

Aurora Labs Limited Quarterly Report and Appendix 4C for Q3 FY2018

Highlights:

- Progress made with Aurora's Large Format Technology with the prototype being able to print simple parts at market speed
 - Powder Production Unit prototype completed and testing commenced.
 - Industry-led Research Agreement with CSIRO to advance 3D printing exploration and collaboration
 - Entered the Russian market via a distribution agreement with NISSA DIGISPACE for distribution of the Small Format Printer S-Titanium Pro
 - Completed A\$5.0 million capital raising to fast-track the development of the Large Format Technology
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Aurora Labs Limited ("Aurora" or "the Company") (ASX: A3D), an industrial technology and innovation company that specialises in the development of 3D metal printers, powders, digital parts and their associated intellectual property, has today released its quarterly Appendix 4C for Q3 Financial Year (FY) 2018 (refer attached).

Large Format Technology under development and achieving milestones

Aurora has made progress with the development of its Large Format Technology (LFT) printing a significant number of parts and shapes with its LFT prototype.

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

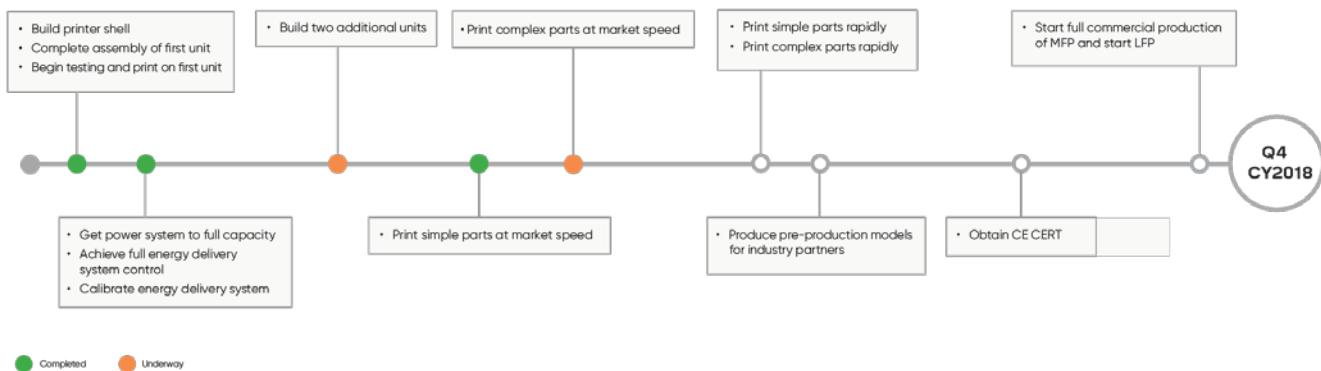
[Watch the LFP beam calibration test at market speed \(non-printing\).](#)

(please use Chrome or Firefox browsers)

Aurora believes there is a significant commercial opportunity with its Large Format Technology, using new revolutionary technologies beyond the Small Format Printer Technology previously developed.

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

Large Format Technology Development Timeline

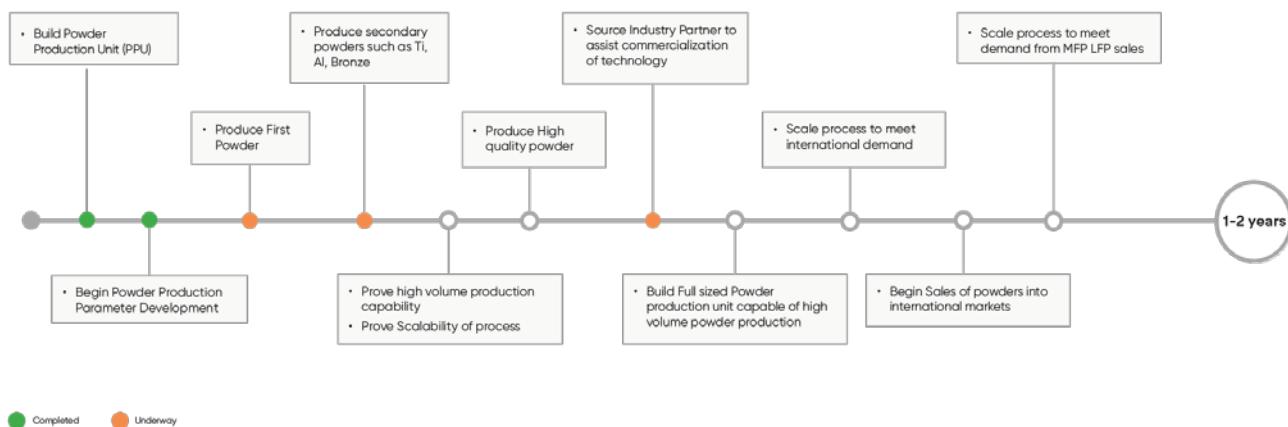


Progress with Prototype of Powder Production Unit

During the quarter, the Company made significant progress announcing the completion of its prototype Powder Production Unit (PPU), with testing of various parameters commenced for the ultimate production of powder.

The completion of the PPU is a significant step forward towards Aurora's development of various high-quality powders that are intended to be very cost competitive with current processes and powder suppliers. High volume powder production would complement and ultimately satisfy the market demand created by the anticipated high utilisation of consumables by the MFP and LFP, once developed.

Powder Production Unit Development Timeline



Aurora will also be exploring business models and commercial opportunities internationally where there is a large demand for metal powders in markets not related to 3D printing.

Advancing cooperation with industry partners

Aurora is pleased to have entered into a research agreement with the Commonwealth Scientific and Industrial Research Organisation ("CSIRO"), Australia's national science organisation and one of the largest and most diverse scientific research organisations in the world.

This is the first step in speeding up the development of AdditiveNow the collaboration between Aurora Labs and AdvisianDigital (WorleyParsons) in forming the Solution Centre. By the terms of the agreement, Aurora will provide CSIRO with one of its S-Titanium Pro Printers in addition to metallic powders used in the production of parts to a value of \$100,000. While CSIRO will provide technical, research and development services that will be used by the Solution Centre for the value of \$100,000. Work on formalising the agreement between AdvisianDigital and Aurora Labs that was set out in the binding term sheet, is progressing well and we are anticipating concluding it in Q4 FY2018.

The overall aim of the Solution Centre is to introduce 3D printing to major oil and gas, infrastructure, mining and other resource businesses, both within Australia and internationally.

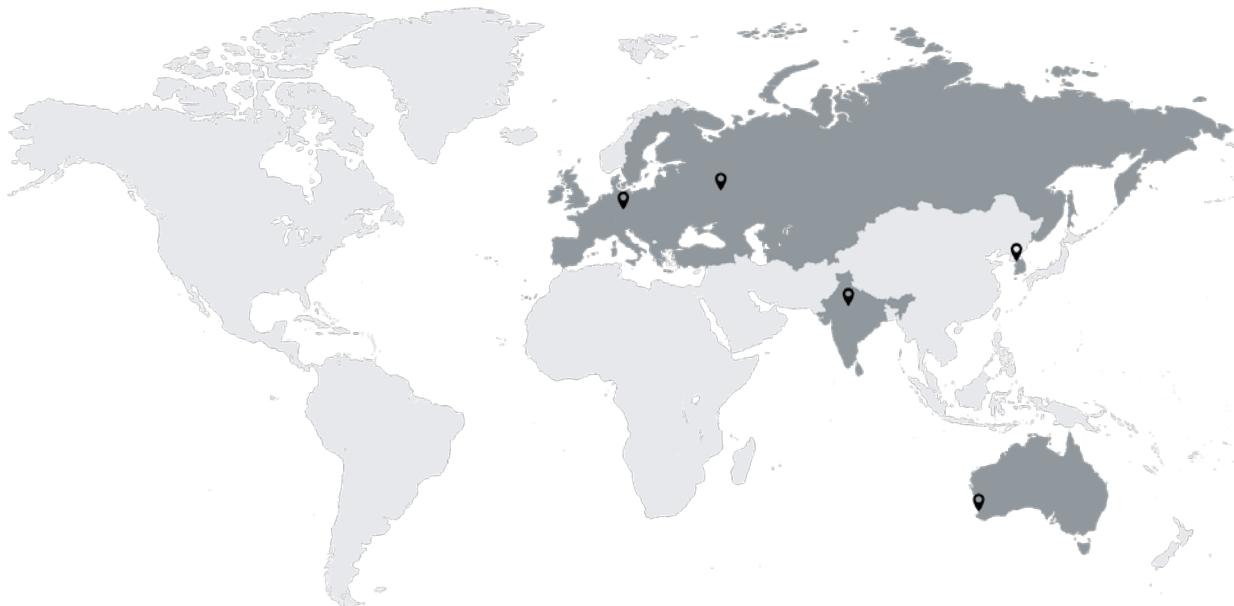
Aurora is currently in discussions with potential industry partners and will provide regular updates on the development of the industry partner program over the coming months. This program matches many of the same opportunities underway with AdvisianDigital, for the creation of a joint ventures or collaborations.

Additional international distributors in place for the commercialisation of the Small Format Printer S-Titanium Pro (STP)

Aurora has prepared extensively for a number of tradeshows taking place in Q4 FY2018 and has undertaken a large amount of pre-sale activity during the quarter, including the provision of sample parts to potential customers and distributors.

During the period, Aurora welcomed the addition of a new distributor to the STP network signing a distribution agreement with NISSA DIGISPACE Ltd, covering exclusive distribution rights for the Company's Small Format Printers in Russia, and certain other Commonwealth of Independent States (CIS) regions.

Aurora continues to work with a view to developing its overseas distributor network in order to generate indirect sales of its STP. Aurora is confident in the sales pipeline for CY2018, with a number of new distributors under negotiation. This network of Tier 1 distributors will also provide the improved support infrastructure, at a local level, that the lack of has impeded sales activity in some regions.



Aurora's Growing Worldwide Distributor Network

Sales generated by the STP will be used to assist with funding the development of the Medium and Large Format Printers and support the significant commercial opportunity within the large-scale manufacturing sector.

Tradeshows

Post quarter end, the Company exhibited at AMUG, a more industry focused conference and exhibition, RAPID + TCT, known worldwide as the most influential additive manufacturing event in the USA, with over 6,000 attendees and 300 exhibitors and OTC (Offshore Technology Conference) which will have more than 70000+ energy professionals from 100+ countries at the 500000+ sq ft exhibition, in cooperation with AdvisianDigital on the WorleyParsons stand.

Preparation for this activity included building of the Non-printing Alpha model of the RMP1, previously known as the MFP, in Q3 FY2018 for display at Rapid-TCT.

[View the RMP1 animation here:](#)

(please use Chrome or Firefox browsers)

Corporate

The Company completed a capital raising of A\$5.0 million (before costs of the issue) by way of a placement to institutions and sophisticated investors. The Placement will assist the acceleration of the Large Format Technology, in addition to general working capital.

The timing of the capital raising was driven by the advancements the Company made with its Large Format Technology, following the ability for its prototype to print simple parts at market speed, and ramping up the development of the technology is a key priority for Aurora.

During the period, the Company also appointed two senior figures to the Board with Mr. Paul Kristensen joining as Non-Executive Chairman and Mr. Mel Ashton as Non-Executive Director. These appointments enhance the Aurora Board and will contribute to the Company's growth.

Mr. Kristensen, a technology venture veteran, brings a wealth of business and insight and a proven track record of commercialisation strategies for technology companies. While Mr. Mel Ashton contributes to Aurora with his outstanding financial capabilities and his strong track record helping organisations achieve growth.

Post quarter end, the Company hosted an Investor Q&A Webinar with Managing Director David Budge. This was an opportunity to provide an update on Aurora's progress and address questions from shareholders. A recording of the webinar can be accessed through the link below:

https://auroralabs3d.com/#!media/videos/20180404_01

(please use Chrome or Firefox browsers)

Financial and Cash Position

As at 31 March 2018, cash at bank and on deposit was A\$5.75 million and net cash used in operating activities was A\$1.49 million.

Please refer to the Appendix 4C quarterly commitments report for the period ended 31 March 2018 for further information.

ABOUT AURORA LABS

Aurora Labs Limited ("the Company") (ASX: A3D), an industrial technology and innovation company that specialises in the development of 3D metal printers, powders, digital parts and their associated intellectual property.

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

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

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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity	Aurora Labs Limited (ASX: A3D)
ABN	Quarter ended (“current quarter”)
44 601 164 505	31 March 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 9 months \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers ^{1.}		100	117
1.2 Payments for			
(a) research and development ^{2.} (Medium and Large Format Printer (MFP and LFP))		(279)	(785)
(b) product manufacturing and operating costs (Small Format Printer (SFP))		(78)	(345)
(c) advertising and marketing		(45)	(160)
(d) leased assets		-	-
(e) staff costs		(780)	(2,536)
(f) administration and corporate costs		(424)	(1,323)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		13	60
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 R & D grants received		-	1,008
1.8 Other (Net GST)		3	55
1.9 Net cash from / (used in) operating activities		(1,490)	(3,909)

1.	Receipts from SFP Sales	105	184
	Refund of Pre sales receipts	(5)	(67)
	Net Receipts from customers	100	117

2. Research and development is not inclusive of allocation for staff, administration and corporate costs.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 months \$A'000
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2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(32)	(219)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(41)	(132)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(73)	(351)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	5,063	5,200
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(422)	(428)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	4,641	4,772

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 months \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,682	5,250
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,490)	(3,909)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(73)	(351)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,641	4,772
4.5 Effect of movement in exchange rates on cash held	(1)	(3)
4.6 Cash and cash equivalents at end of quarter	5,759	5,759

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,752	678
5.2 Call deposits	4,007	2,004
5.3 Bank overdrafts	-	-
5.4 Other (Cash on Hand)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,759	2,682

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	154
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 includes salaries and directors fees paid to directors.

7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements (Credit Card)	(10)	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter		\$A'000
9.1	Research and development	(279)
9.2	Product manufacturing and operating costs	(78)
9.3	Advertising and marketing	(45)
9.4	Leased assets	-
9.5	Staff costs	(780)
9.6	Administration and corporate costs	(424)
9.7	Property, plant and equipment & Intellectual property	(73)
9.8	Total estimated cash outflows	(1,679)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)		Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Performance Shares

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

1. Number of Performance Shares at the beginning of the current quarter was 14,700,000, comprising:
 - 7,087,500 Class B Performance Shares; and
 - 7,612,500 Class C Performance Shares.
2. Each Performance Share will convert into a fully paid ordinary shares (**Shares**), on a one-for-one basis, upon the satisfaction of the following milestones (**Milestones**):
 - for Class B Performance Shares – upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A\$5,000,000 before 30 June 2018; and
 - for Class C Performance Shares – upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A\$7,250,000 before 30 June 2019.
3. If the relevant Milestone for a class of Performance Share is not achieved by the required date, then each Performance Share in that class will be automatically redeemed and cancelled by Aurora for the sum of \$0.00001 within 10 business days of non-satisfaction of that Milestone.
4. The Milestone for the 6,300,000 Class A Performance Shares was not satisfied by the required date (i.e. by 30 June 2017) and the Class A Performance Shares were automatically redeemed in accordance with their terms. To ensure the redemption was properly effected, Aurora obtained shareholder approval at its 2017 annual general meeting for a selective capital reduction in relation to the Class A Performance Shares.
5. No Milestones were met during the current quarter.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



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Director and Company Secretary

Date: 30 April 2018

Print name: MatheW Whyte

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose

additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.