

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: \$34.0m
Cash: \$5.8m
(As at 31 March 2018)

CONTACT DETAILS

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Aurora Labs signs preliminary Industry Partner agreement with VEEM

Highlights:

- Aurora to provide VEEM with early access to its 3D-printers and Large Format Technology
- Potential cost and efficiency savings for VEEM by using Aurora's Large Format Technology once fully developed.
- Potential opportunities for R&D program
- Expands the Company's Industry Partner Program (IPP) and further demonstrates industry's interest in Aurora's Large Format Technology

Aurora Labs Limited ("Aurora" or "the Company") (ASX: A3D), is pleased to announce that it has signed a non-binding term sheet with innovative engineering company VEEM Ltd ("VEEM") (ASX: VEE). VEEM is an ASX-listed company that specialises in high-technology propellers and gyrostabilisers.

The non-binding agreement comprises an IPP which involves the opportunity for Aurora to work directly with VEEM for early access to the Company's technology, the potential for purchase of the Company's 3D-printing machines and the ability to do R&D on areas that are appropriate for VEEM's business. The terms are for an initial five years and may be extended by mutual agreement after then.

The non-binding term sheet is based on the 4-stage process outlined below:

- (i) VEEM reviewing and critically analysing the Aurora technologies and products and their potential capabilities (**Stage 1**);
- (ii) Aurora assisting VEEM to assess the potential value to VEEM of utilising the Aurora technologies and products in VEEM's operations (**Stage 2**);
- (iii) the parties identifying and evaluating potential opportunities to secure government research and development (R&D) incentives, grants or funding for projects related to the venture Program (**Stage 3**); and
- (iv) VEEM being provided with the opportunity of making an equity investment in Aurora (**Stage 4**).

Bringing VEEM as an industry partner is a significant opportunity for Aurora as the engineering firm would be looking to implement the Company's Medium and Large Format Printers when fully developed in its production of both ship propellers and gyrostabilisers, therefore making VEEM one of Aurora's first potential customers for its Large Format Technology. VEEM currently cast more than 5 tonnes a day worth of product and is potentially looking to upgrade this process with the use of Aurora's 3D printing technology, aiming for ultra-high printing speeds.

VEEM will also be providing feedback on Aurora's initial range of products and, after signing a comprehensive MNDAs, have been given a behind the scenes look at Aurora's unique process for production of metal powders.

While VEEM will be afforded the opportunity to invest there is at this stage no fixed agreement for VEEM to acquire shares in Aurora Labs.

VEEM Ltd's Managing Director Mark Miocevich said:

"With our modern world recognising the finite nature of natural resources and the full cost of energy, the desire to move away from traditional reductive manufacturing is growing.

Additive manufacturing through 3D printing is rapidly developing around the world. From being a very expensive option for small, highly sophisticated components, recent technical developments in 3D printing are showing the future path leading to larger sizes and far more rapid production rates.

Aurora Labs has developed the most advanced process that we have evaluated and represents a significant step forward in large and rapid 3D printing. VEEM are excited to be able to partner with Aurora Labs to bring the future of additive manufacturing to the present. "

David Budge, Managing Director of Aurora Labs, commented:

"We're extremely pleased to be in talks with VEEM, and their drive to be at the forefront of technology and innovation makes them an ideal industry partner for us.

When you couple that to their ambition to dominate the global market in their chosen field then the unique fit is even more appropriate. VEEM currently create castings up to 14 tons in size on a daily basis and we are looking to help them improve their production capacity through innovative use of our Large Format Technology.

"It's encouraging to be expanding on our Industry Partner Program which confirms the interest in the technology we are developing."

Whilst Aurora is optimistic that a more definitive arrangement may be reached, there is no assurance that any legally binding agreement will be entered into or that any matter contemplated by the Term Sheet will be completed.

ABOUT AURORA LABS INDUSTRY PARTNER PROGRAM

Aurora is in discussions with a number of appropriate industry enterprises with a view to participation in our Program (IPP). The program is targeted at key enterprises in each selected industry, focusing on four key areas of engagement which include;

- Early access to the medium and large format technology to evaluate concrete and possible benefits to the selected company;
- Purchase of machines with input into printer design to optimise for application in the real world;
- Possible participation in research projects;and
- Possibility of acquiring equity stake to benefit as milestones are met.

Aurora will continue grow their success to date of the program by seeking appropriate partners which will result in greater industry exposure as Aurora continue to develop a high quality product for market.

ABOUT VEEM

VEEM Ltd is a manufacturer of high technology Marine Propulsion & Stabilisation Systems. Operating from a 10,500m² facility in Perth, Western Australia since 1968, the company was responsible for the very successful patented Interceptor propeller technology that allows the effective pitch of VEEM propellers to be altered, without even slipping the vessel.

In addition to its product offerings, VEEM also manufactures stabilising fins for the US Navy LCS vessel program, Austal Ships fast ferries, and both the Australian Naval and Customs Service Patrol Boat fleets.

The VEEM Gyro is the company's most recent innovative marine product development and can be viewed on the company's product website at www.veemgyro.com.

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:

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