

DIRECTORS / OFFICERS**PAUL KEHOE**

Non-Executive Chairman

DAVID BUDGE

Managing Director

NATHAN HENRY

Executive Director

DAVID PARKER

Non-Executive Director

DICK HERMAN

Non-Executive Director

MATHEW WHYTE

Company Secretary

31 October 2016

Aurora Labs Limited - 4C filing for Q1 FY2017

Aurora Labs Limited ("the Company") (ASX:A3D), a metal 3D printer developer and manufacturer, today released its quarterly Appendix 4C filing for Q1 FY2017 (refer attached).

Successful IPO listing

It has been a very productive and successful period for the Company over the last quarter beginning with the listing on the ASX on 16 August 2016. There was a very high level of interest from investors and the offer was oversubscribed. We have commenced utilising the funds to accelerate pre-production, R&D and development of infrastructure. This is an ongoing process and we are taking a systematic approach to equipment purchases, staffing, R&D project initiation and facilities.

CE Mark and FDA-CDRH processes

To facilitate access to some of our major markets we are required to comply with very strict design criteria set out in various standards and directives. We have completed the technical section of design and engineering compliance for both the FDA-CDRH (USA) as well as CE Mark (EU). We are currently working on the submission of documentation to both authorities separately and have begun implementing the physical changes that were required as part of this process to our printers. We have completed the preparation of the Laser Product Report for the FDA-CDRH which is currently being submitted for evaluation. We are currently compiling the Technical Files for CE Mark for submission that we anticipate will be completed very soon. Shipments to the USA can commence after receipt for review by the FDA which we expect will be within the next week. Shipments to the EU can commence after the relevant authorisations that we anticipate will be received within eight weeks of final submission.

Beta Testing of Small Format Printer (SFP) - S-Titanium

We have several working Beta printers that are continuing to be used as testing units and parameter development tools in-house. Optimisation of parameters for the S-Titanium Pro is progressing well with new parameters recently being developed for 316L SS and Ti6Al4V. To increase the range

www.auroralabs3d.com**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

and potential market for the SFP S-Titanium printers we have committed to increasing engineering resources to develop parameters and produce samples for potential purchasers. The print qualities we are currently achieving are outstanding. We believe that the quality is the equivalent to prints from machines retailing for up to US\$500,000.



Managing Director, David Budge
with S-Titanium Pro

Production Ramp Up Underway

We have now purchased parts for the next batch of ten SFP's and will shortly commence producing this batch of printers. Following the dispatch or installation of these ten we will begin assembly of the next ten. To run efficiently and to cope with our anticipated increased volume, we have appointed a Production Manager with experience in industrial manufacturing in high tech industries who will implement our plan of automisation of ordering and begin the continuing cycle of product cost reduction and process improvement. The Production Manager, Mr Allan Ravitch holds a Bachelor of Applied science (B.A.Sc) from California State Polytechnic University. His professional background includes over 20 years of lean manufacturing management working for leading edge high

technology organisations including a Fortune 500 company. He has assisted in scaling up manufacturing lines from a small start up in Sydney to large factories throughout Oregon and California.

Sales of SFP

As previously reported, the Company has pre-sales or orders for 32 SFP units and sundry consumables that are either fully paid for, or where clients have paid a deposit. 28 of these SFP units were discounted orders that were sold in the period to 30 June 2015 to provide the funding required in the very early days of the formation of the Company. It is our intention that they will be produced concurrently with regular production at a 1 to 3 ratio with the full cost printers. This will ameliorate the impact of the low price these units were sold at. No further funds will flow from these 28 printers on delivery. Additional funds are due for the SFP units sold in the year to 30 June 2016 on delivery of these units.

Customer enquiries for the SFP have recently surged. We attribute this to the Company's raised profile as a result of the ASX listing and more effective online marketing. Also the quality of our prints is attracting considerable global attention.

We have received one firm order in the first half of October and are negotiating with clients for a second and possibly third with delivery required by the end of November. All three units are bound for the US market. Quotations are trending 3-4 per week, a substantial increase over pre IPO levels.

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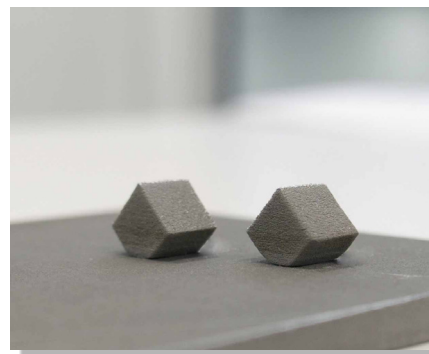
We expect to be in a position to grow our sales considerably once the CE Mark and FDA-CDRH processes are complete.

Patent Applications

We have added one significant patent application to our list and begun the application process for a second in the September quarter. They are intended to more fully develop our powder consumable offering and buttress our extensive alternative processing techniques for the Medium Format Printer (MFP) and Large Format Printer (LFP).

R&D Acceleration

The 3D printer market is dynamic and there is a lot of activity in release of new products and planned products from competitors. To ensure we are the first mover in our target markets for the MFP and LFP we have employed more highly skilled staff and have refocused resources to expedite the development of a working prototype of the MFP and LFP technology to meet or exceed our original timeline. Testing is continuing with most subsystems having been completed and will continue in the current quarter. Those subsystems that have already been tested have functioned correctly and the next step will be a full assembly of all the subsystems into the working prototype.



SFP prints: 10mm x 10mm x 10mm
Ti6Al4V
cubes at 100µm step height



David Budge presenting
"The Next Industrial Revolution"
at Manufacturing Innovation Event

Successful Speech and Demo

We participated in the very successful "Manufacturing Innovation Event" sponsored by Autodesk and Manufacturers Monthly at which Managing Director, David Budge gave a well received speech to a packed house of about 155 industrial clients. We also used the opportunity to showcase the printer after the show and discuss the printer and applications with potential clients.

Onto the world stage!

We have booked into 3 major 3D printing tradeshows in Germany, the US and South Korea covering the bulk of our major target markets being North America, the EU and Asia. These are our first forays onto the international stage and will greatly enhance our industry profile.

Strategic Relationships

We are pursuing a number of significant strategic relationships in the various fields related to 3D printing and associated industries, however outcomes and timing of these discussions remains uncertain. These negotiations are subject to strict confidentiality.

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The Path Forward

The path forward is one of measured acceleration. We are currently rapidly implementing the planned infrastructure improvements, skilled hires and R&D and production resources to a level sufficient to meet or exceed our planned benchmarks.

These activities will allow us to continue building a competent professional team to produce world class, industry beating products that will not only be a first for Australia but a first for the World.

Cash at bank and forward cash requirements

The Company had \$2.1 million cash at bank as at 30 September 2016. Estimated cash outflows for the quarter are expected to be \$795,000. As noted, we anticipate that regular sales of the SFP can commence once the CE Mark and FDA-CDRH processes are complete, as detailed above. Aurora believes that sales of the SFP will be sufficient to fund the ongoing needs of the business at this point in time.

Corporate

During the quarter the Company issued 14,000,000 fully paid ordinary shares at \$0.20 per share to raise \$2,800,000 (before costs) and 5,500,000 Company Options, exercisable at \$0.20 on or before 31 December 2018 for \$0.01 per Option to raise \$55,000. The Company also issued 1,000,000 fully paid ordinary shares to Alto Capital pursuant to the Lead Manager Mandate. These issues were part of the Initial Public Offering to list on the ASX. At the end of the quarter, the Company had 55,000,000 fully paid ordinary shares, 11,250,000 Company Options and 21,000,000 Performance Shares (Class A, B & C) on issue.

As announced on 26 October the Company has convened its annual general meeting (AGM) to be held at 10:00 am (WST) on 28th of November at the Companies registered office. Mr David Parker has advised that he intends to resign as a director, effective at the AGM.

Since the end of the quarter, the Company has appointed Mr. Mathew Whyte as Company Secretary.

For further enquiries, please contact:

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Managing Director
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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

44 601 164 505

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development (Medium and Large Format Printer (MFP and LFP))*	(17)	(17)
(b) product manufacturing and operating costs (Small Format Printer (SFP))	(195)	(195)
(c) advertising and marketing	(21)	(21)
(d) leased assets	-	-
(e) staff costs	(229)	(229)
(f) administration and corporate costs	(173)	(173)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Net GST)	(29)	(29)
1.9 Net cash from / (used in) operating activities	(659)	(659)

**Note: Not inclusive of re-allocation for staff, administration and corporate costs.*

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(27)	(27)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(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 (Patent's)	(18)	(18)
	(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	(45)	(45)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares and options**	745	745
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	(222)	(222)
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	(523)	(523)

****Note:** Not inclusive of \$2.109M of share subscription funds received in the financial year ended 30 June 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	2,353	2,353
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(659)	(659)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(45)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	523	523
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,172	2,172

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	2,172	2,353
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,172	2,353

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	(96)
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 fees to directors.
- In addition Alto Capital, an associated entity of non- executive director Mr David Parker, received a total \$222,000 for capital raising fees in the Company's IPO (refer item 3.4).

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

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

**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.

N/A

9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development (MFP and LFP)

(50)

9.2 Product manufacturing and operating costs (SFP)

(164)

9.3 Advertising and marketing

(60)

9.4 Leased assets

-

9.5 Staff costs

(340)

9.6 Administration and corporate costs

(67)

9.7 Other (Property, Plant and Equipment)

(114)


9.8 Total estimated cash outflows

(795)

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	-	-

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: 

Date: 31 October 2016

Company Secretary

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.