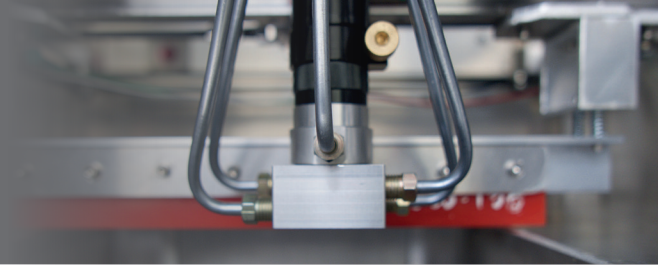

ASX ANNOUNCEMENT **5th May 2017**

German Distributorship Agreement entered into with 3D-Mectronic

Aurora Labs ("Aurora" or "the Company") is pleased to announce that it has signed a distribution agreement with Frank Heimbert Kulke trading as 3D Mectronic ("the Distributor" or "3D Mectronic"). The agreement provides that the Distributor will sell, market, distribute, install, maintain and service Aurora's Small Format Printer (SFP), spare parts and consumables. The Distributor has a sole licence to operate in Germany and a non-exclusive licence to operate in the rest of Europe (excluding Denmark, Sweden, Norway and Finland).

The financial terms of the agreement are commercial in confidence.

ABOUT 3D MECTRONIC

Mr Kulke has traded as 3D Mectronic for over 19 years. The business specialises in rapid prototyping of parts in various 3D printing processes. 3D Mectronic offers the complete range of 3D printing technologies such as selective laser sintering (SLS) in plastic and metal, fused deposition modelling 3D printing, stereolithography, vacuum casting in plastic and metal, 3D scanning and reverse engineering. In addition, the company offers service and equipment upgrades of SLS systems as well as sales and repair of 3D printing systems. Mr Kulke is one of Europe's foremost experts on 3D printing and has been in the industry for almost as long as 3D printing has been commercialised.

Mr Kulke discussed a distribution agreement for Aurora's SFP with Executive Director Nathan Henry during the Formnext conference in Germany in November 2016. After due diligence, Aurora decided to proceed with the 3D Mectronic offer given Mr Kulke's extensive knowledge of the 3D printing sector.

Mr Kulke visited Aurora's Perth premises in early February for training on the SFP. During this visit, Mr Kulke was instrumental in recommending a number of improvements to the SFP which have subsequently been incorporated into the SFP. Mr Kulke's recognised the potential for the SFP based on its functionality, low pricing and his knowledge of the needs of European 3D printing machine buyers.

3D Mectronic has purchased a SFP which was delivered in March 2017. 3D Mectronic have already begun showing the printer to potential customers in a number of the EU countries. 3D Mectronic will be installing the printer in their showroom in May and using the machine for demonstrations and to print samples for distribution to potential customers. It is expected that sales of the SFP will follow once customers have had a chance to review these samples.

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BENEFITS TO AURORA

The agreement has several benefits to Aurora:

1. It would take Aurora considerable time to gain knowledge of the European market, particularly given how fragmented that market is with many countries and different languages. 3D Mectronic already has that expertise from their 19 years in the 3D printing sector.
2. 3D Mectronic already has established relationships with buyers of 3D metal printers.
3. Aurora will not need to develop its own expensive distribution and logistics networks in Europe.
4. Aurora Labs does not have the obligation to maintain and service machines sold by 3D Mectronic although warranty obligations would still apply. After sales service can be a large financial imposition.

Aurora Labs is very pleased to be working with 3D Metronic and looks forward to commencement of regular sales of the SFP to Europe. As noted in Aurora's quarterly report dated 28th April 2017, sales of the SFP may start slowly but Aurora anticipates that sales will gather speed as Aurora's reputation in the sector grows. Finally, as noted in the quarterly report dated 28th April 2017, Aurora Labs is currently in discussions with a Denmark based company for a distribution agreement covering Scandinavia (Denmark, Finland, Sweden and Norway), which are not covered in the agreement with 3D Mectronic.

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside Aurora's control.

Accordingly, Aurora and the directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur.

For further information please contact:

enquiries@auroralabs3D.com

ABOUT AURORA LABS

Aurora Labs Limited ("the Company") (ASX:A3D) is 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

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