

Issue of New Company Securities and Appendix 3B

Aurora Labs Limited ("Aurora" or "the Company") advises it has issued the following securities (Securities):

1. 194,000 fully paid ordinary shares (Shares) issued on the exercise of 194,000 unquoted options exercisable at \$0.20 (ASX:A3DAH); and
2. 432,000 unquoted options (Options) exercisable at \$0.79 and expiring on 31 August 2020 to 21 of its eligible non-related employees under the Company's Employee Incentive Plan (Plan).

In addition, Aurora resolved to seek shareholder approval to grant a further 15,000 Options to David Budge (Managing Director), 15,000 Options to John Nathan Henry (Executive Director) and 15,000 Options to Mathew Whyte (Non-Executive Director & Company Secretary) under the Plan, each exercisable at \$0.79, and otherwise on the same terms and conditions as the Options to be granted to non-related employees. Shareholders' approval will be sought at the next annual general meeting of the Company.

The Option exercise price was set at a price approximately 12.5% above the volume weighted average price to Shares traded on ASX over the five trading days up to and including 25 August 2017, being \$0.705 per Share.

The Options to each executive / employee were determined under three categories:

1. Package options – As part of their employment package with Aurora Labs to attract and retain quality executives and employees.
2. Performance options – As a reward for executives and employees exceeding Company deliverables.
3. Innovation options – As a reward for employees who have come up with innovative ideas that are deemed to be beneficial to Aurora and its business operations (usually by reference to whether the idea is likely to be patented or otherwise form the basis for potentially valuable proprietary technology of the Company).

Aurora established its Employee Share Plan in FY 2016. Through the Plan the Company seeks to align the interests of its executives and employees with those of its shareholders. The Board believes that one of the best ways to achieve this is to give the executives and employees involved in the day-to-day management and operations of the business the opportunity to earn an equity stake in Aurora that can grow with the Company's financial and operational success.

An Appendix 3B - *New Issue Announcement* is now attached.

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

www.auroralabs3d.com

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Aurora Labs Limited

ABN

44 601 164 505

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | (1) Fully paid ordinary shares (Shares)
(2) Unquoted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (1) 194,000
(2) 432,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (1) Same as existing A3D Shares
(2) Each Unquoted Option is granted pursuant to the Company's Employee Incentive Plan with an exercise price of \$0.79 per option and an expiry date of 31 August 2020*
*Refer attached for full Terms and Conditions |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(1) Yes.</p> <p>(2) No</p> <p>The shares issued on the exercise of Unquoted Options will rank equally with existing fully paid ordinary shares on issue at that time.</p>
5	Issue price or consideration	<p>(1) 194,000 Shares at \$0.20 per Share</p> <p>(2) 432,000 Unquoted Options were issued for nil cash consideration.</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(1) Shares issued on exercise of 194,000 Unlisted options Exercisable at \$0.20 and Expiring 31/12/2018 (A3DAH)</p> <p>(2) The Unquoted Options were granted to 21 eligible non-related employees pursuant to the Company's Employee Incentive Plan.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of securities issued under an exception in rule 7.2	(1) 194,000 Shares (2) 432,000 Unquoted Options	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1 : 8,714,100 LR 7.1A: 5,809,400	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	(1) 29 August 2017 (2) 29 August 2017	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		25,833,304	Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	
	32,260,696	Ordinary Shares (restricted securities)
	1,863,500	Unquoted Options Exercisable at \$0.20 Expiring 31/12/2018 (A3DAH)*
	9,092,500	Restricted Unquoted Options Exercisable at \$0.20 Expiring 31/12/2018 (A3DAG)**
	480,000	Unquoted Options Exercisable at \$2.23 Expiring 30/11/2019 (A3DAI)
	931,000	Unquoted Options Exercisable at \$3.00 Expiring 31/03/2020 (A3DAI)
	40,000	Unquoted Options Exercisable at \$1.17 Expiring 30/06/2020 (A3DAI)
	432,000	Unquoted Options Exercisable at \$0.79 Expiring 31/08/2020 (A3DAI)
	14,700,000	Performance Shares (A3DAJ): <ul style="list-style-type: none"> • 7,087,500 Class B • 7,612,500 Class C
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A	

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	

⁺ See chapter 19 for defined terms.

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New issue announcement

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

⁺ See chapter 19 for defined terms.

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1 (1) *

*194,000 Ordinary Shares Only

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)
Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company Secretary)

Date: 29/8/ 2017

Print name:

Mathew Whyte

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	55,000,000
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	<ul style="list-style-type: none"> 100,000 (Shares issued 24/2/2017);and 194,000 (shares issued on 29/8/2017) on exercise of Options issued pursuant to Employee Option Plan. LR 7.2 exception 4). <p>2,800,000 (Shares issued under Placement on 24/2/2017 ratified pursuant to LR 7.4 at EGM held on 12/6/2017)</p> <p>N/A</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	58,094,000

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	[Note: this value cannot be changed]
Multiply “A” by 0.15	8,714,100
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	8,714,100
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	<p>8,714,100</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	58,094,000
Step 2: Calculate 10% of “A”	
“D”	<i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	5,809,400
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12- month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	5,809,400
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	5,809,400 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

Schedule – Terms of Options

1. **Employee Incentive Plan:**
 - (a) Each Option is granted pursuant to the Employee Incentive Plan (**Plan**) of Aurora Labs Limited ACN 601 164 505 (**Company**).
 - (b) Terms defined in the rules of the Plan (**Rules**) will, when used in these Terms of Options, have the same meaning given to those terms under the Rules unless expressly stated otherwise in these Terms of Options.
 - (c) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) will apply (subject to the conditions in that Act) to the Options.
2. **Entitlement:** Each Option entitles the holder (**Option Holder**) to subscribe for 1 fully paid ordinary share (**Share**) in the Company.
3. **No payment on grant:** The Option Holder is not required to pay any amount on the grant of an Option.
4. **Exercise price:** The exercise price of each Option is \$0.79 (**Exercise Price**).
5. **Expiry date:** Each Option not exercised by 5.00pm (WST) on 31 August 2020 (**Expiry Date**) will automatically lapse and terminate.
6. **Certificate or holding statement:** The Company must give the Option Holder a certificate or holding statement stating:
 - (a) the number of Options granted to the Option Holder;
 - (b) the Exercise Price of the Options; and
 - (c) the date of grant of the Options.
7. **Restrictions on dealing and transfer:**
 - (a) An Option Holder must not sell, transfer, mortgage, pledge, charge, grant a security interest over or otherwise dispose of (**Dispose**) any Options or Shares issued on the exercise of Options, nor agree to do any of the same, without the prior consent of the Company's Board of Directors (**Board**), except where such Disposal occurs by force of law.
 - (b) The transfer of any Option is subject to any restrictions on transfer under the Corporations Act or the ASX Listing Rules.
8. **Quotation of Options:** The Company will not apply for quotation of any Options.
9. **New issues:** The Option Holder is not entitled to participate in any new issue to the holders of Shares (**Shareholders**) of securities in the Company unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the ASX Listing Rules.
10. **Bonus issues:** If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Option before the record date for determining entitlements to the issue.

11. **Pro rata issues:** If the Company makes a pro rata issue of Shares (except a bonus issue) to Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option will be reduced in accordance with the ASX Listing Rules.
12. **Reorganisation:**
- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
 - (b) Any calculations or adjustments which are required to be made will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
 - (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of an Option.
13. **Exercise:**
- (a) Subject to paragraph 13(b), an Option Holder may:
 - (i) not exercise an Option during the period (**Restriction Period**) commencing on the date that an Option is granted and expiring on the later of:
 - (A) the date that the last Vesting Condition (if any) is satisfied or waived by the Company; and
 - (B) the date when the last Exercise Condition (if any) is satisfied or waived by the Company; and
 - (ii) only exercise an Option after the expiry of the Restriction Period but prior to the Expiry Date.
 - (b) Notwithstanding paragraph 13(a), an Option may be exercised:
 - (i) in the Board's absolute discretion, at any time after a Change of Control Event has occurred;
 - (ii) at any time after the announcement of a proposed capital reorganisation referred to in paragraph 12;
 - (iii) in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
 - (iv) in the Board's absolute discretion, within 12 months, if any of the following occurs in relation to a Participant, in relation to Options held by or on behalf of that Participant:
 - (A) the illness or incapacity of the Participant necessitating the permanent withdrawal of the Participant from the work force, as accepted to the satisfaction of the Board; or

- (B) any other circumstances which the Board considers should be treated as permanent disablement of the Participant for the purposes of the Plan.
 - (c) To exercise Options, the Option Holder must give the Company or its securities registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued;
 - (ii) payment of the Exercise Price for the Options the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company;
 - (iii) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed; and
 - (iv) where required by the Company in accordance with rule 19.2 of the Rules, payment in full of the amount of Withholding Tax Amount that the Company is required to remit as a result of the exercise of the Option.
 - (d) Where the payment received by the Company under paragraph 13(c)(iv), those moneys will be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant as soon as reasonably practicable.
 - (e) The Option Holder may only exercise Options in multiples of 500 Options unless the Option Holder holds less than 500 Options.
 - (f) A notice of exercise in relation to any Options only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice, in cleared funds.
 - (g) Options will be deemed to have been exercised on the date the exercise notice is lodged with the Board.
14. **Re-issue of certificate or holding statement:** If the Option Holder exercises less than the total number of Options registered in the Option Holder's name:
- (a) the Option Holder must surrender their Option certificate (if any); and
 - (b) the Company must cancel the Option certificate (if any) and issue the Option Holder a new Option certificate or holding statement stating the remaining number of Options held by the Option Holder.
15. **Issue of Shares:** Within 10 days after receiving an application for exercise of Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
16. **Equal ranking:** Subject to the Company's Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary Shares of the Company at the date of issue.
17. **Quotation of Shares:** The Company will apply to ASX for official quotation of the Shares issued on exercise of Options.
18. **Bad Leaver:** Each Option that has not been exercised and not expired will automatically lapse and be forfeited if the Participant to which the Option relates ceases employment or engagement as a Contractor with the Group Companies as a Bad Leaver.

19. **Good Leaver:** An Option will not lapse and be forfeited if the Participant to which the Option relates ceases employment or engagement as a Contractor with any Group Companies as a Good Leaver.
20. **Governing law:** These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.