Aurora Labs Limited (A3D)

ABN 44 601 164 505

Appendix 4E – Preliminary final report year ended 30 June 2017

1. Details of reporting periods:

Current reporting period	: Year ended 30 June 2017
Previous corresponding period	: Year ended 30 June 2016

2. Results for announcement to the market:

	Year ended 30 June 2017 $	Year ended 30 June 2016 $	% Change
Revenues	**237,995**	**-**	**N/A**
Loss after tax	**(3,398,989)**	**(1,118,866)**	**-204%**
Loss after tax attributable to members.	**(3,398,989)**	**(1,118,866)**	**-204%**

Commentary on the above figures is included in the attached Annual Financial Report for the year ended 30 June 2017.

3. Statement of profit or lass and comprehensive income
Refer to attached Annual Financial Report and notes for the year ended 30 June 2017.

4. Statement of financial position
Refer to attached Annual Financial Report and notes for the year ended 30 June 2017.

5. Statement of cash flows
Refer to attached Annual Financial Report and notes for the year ended 30 June 2017.

6. Statement of changes in equity
Refer to attached Annual Financial Report and notes for the year ended 30 June 2017.

7. Dividend payments
Not Applicable. Refer to attached Annual Financial Report and notes for the year ended 30 June 2017.

8. Dividend reinvestment plans
Not applicable.

9. Net tangible assets per security

	30 June 2017 Cents	30 June 2016 Cents
Net tangible assets per ordinary security	**11.31**	**-0.01**

10. Gain or loss of control over entities
Not applicable.

11. Associates and joint ventures
Not applicable.

12. Other significant information
Not applicable.

13. Foreign entities
Not applicable.

14. Commentary on results for the period
Refer to attached Annual Financial Report for the year ended 30 June 2017, and in particular: the "Managing Directors Review"; and the "Review of results and operations" within the Directors' Report.

15. Status of audit
The Annual Financial Report for the year ended 30 June 2017 has been audited and is not subject to dispute or qualification.

AURORA LABS LIMITED

Aurora Labs Limited

ABN 44 601 164 505

Annual Financial Report

30 June 2017

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CORPORATE INFORMATION

ABN 44 601 164 505

Directors
David Budge
Nathan Henry
Mathew Whyte

Company secretary
Mathew Whyte

Registered Address and Principal Place of business
Unit 2, 79 Bushland Ridge
Bibra Lake WA 6163
Telephone: +61 (08) 9434 1934
Email: enquiries@auroralabs3d.com

Solicitors
Jackson McDonald
Level 17, 225 St Georges Terrace
Perth WA 6000

Bankers
ANZ Bank
Riseley Centre
1/35 Riseley Street
Booragoon WA 6154

Auditors
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry
Security Transfer Australia
770 Canning Highway,
Applecross, WA 6153

Stock Exchange
Listed on Australian Securities Exchange
The home exchange is Perth, Western Australia

ASX Code
A3D – fully paid ordinary shares

MANAGING DIRECTORS REVIEW

Dear Shareholders,

I am pleased to present Aurora Labs' 2017 Annual Report.

This has been another exciting year for Aurora Labs. I would like to start my review of FY 2017 by reflecting on our listing on the ASX in August 2016 after successfully raising $2,855,000 through our IPO. I was certainly very proud of this result, and subsequently, there was a lot of interest in the Company going forward.

During the year, we have been in discussions with a wide range of potential strategic partners. Potential collaborations with strategic partners are extremely useful to fast track our commercialisation efforts, and the interest of one of these partners was materialised when we entered into a non-binding agreement with WorleyParsons in January.

In February 2017, we raised $7 million through a capital raising to institutional and sophisticated investors. I can say with confidence that with sustained interest in the Company, coupled with a well-funded platform, we are placed in a healthy position going forward.

Another notable highlight of the year was the advancement of our Small Format Printer (SFP) and our achievement of initial sales. Interest in the SFP remains high with the volume of quotations and tenders increasing. Further to this, we signed agreements with various distributors, including India based Novabeans and Germany based 3D-Mectroinc. I am particularly excited about these distributor contracts, which provide Aurora with an entrance into new and compelling markets, specifically in Asia and Europe.

Aurora's 3D printing technology is unique to the industry. During FY 2017, we have improved our product, increased the print resolutions and the materials that can be printed. The SFP has been designed so that it can be sold for a price significantly less than competitor machines. We will continue to strive to ramp up sales of our SFP in the second quarter of FY18. However, I believe that the key to Aurora's future is the production and commercialisation of the Medium and Large Format Printers (MFPs & LFPs), and as such will be Aurora's key focus over the long term.

The technology used to develop the MFP and LFP is completely different to the technology utilised for the SFP. The point of difference with the MFP and LFP is that we believe they will be able to replace a percentage of traditional, and large scale, metal manufacturing. We are particularly excited about our belief that these printers will be especially beneficial to mining, oil and gas and heavy industry. The development of the MFP and LFP keeps Aurora ahead of the game and allows us to be prepared for changes in our targeted markets.

As a Company, we recognise and have foreseen that the development of key technologies could occur very quickly and impact manufacturing on a global scale. Our MFP and LFP will have the ability to produce complex metal based 3D printed parts in an extremely rapid time. Their production pinpoints my philosophy that 3D printing is and will be at the forefront of the new industrial revolution that will transform manufacturing. It is in this belief, that we are placing more emphasis on the production and commercialisation of the medium and large format printers. Aurora is in a perfect position to take full advantage of this huge technological change and cater for this transformation.

In terms of our leadership team, the process to recruit a new Chairman is continuing, and discussions are being held with a number of potential candidates. We will keep shareholders updated on the recruitment process.

I would like to end this statement with an expression of gratitude. The success this year is owed to the energy and dedication of the team behind this Company. I would like to thank the shareholders for their continued support, the staff for their ongoing hard work and innovation and the Board for their focus, direction and feedback. Together we will continue to help drive Aurora forward.

I look forward to updating you on our progress ahead.

David Budge
Managing Director

DIRECTORS' REPORT

The Board of Directors of Aurora Labs Limited (**"Company" or "Aurora"**) present their report together with the financial report on the Company for the financial year ended 30 June 2017 (FY 2017) and the independent auditor's report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year included the design and development of 3D metal printers and associated products and services.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results and Financial Position

Aurora reported a statutory after- tax loss for the year ended 30 June 2017 of $3,398,989 (2016: $1,118,866). At the end of the financial year the Company had net assets of $6,775,662 (2016: $54,786) and $5,249,614 in cash and cash equivalents (2016: $2,353,226).

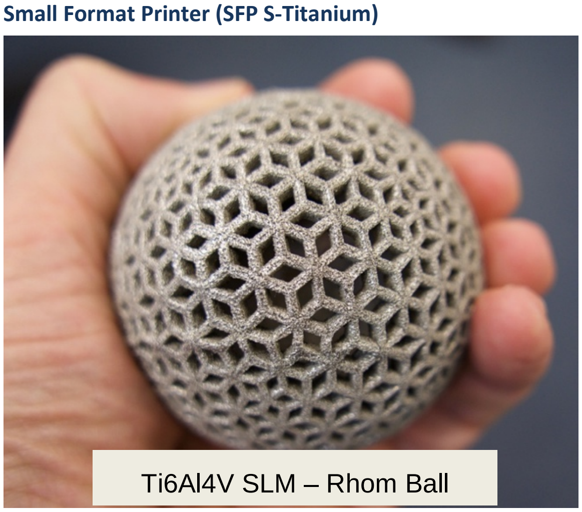
Review of Operations

Aurora is an Australian-based industrial technology and innovation company based in Perth that specialises in the development of 3D metal printers, powders, digital parts and their associated intellectual property. During the year the Company continued to develop its capability as a 3D metal printer manufacturer that aims to enable mass adoption of 3D metal printing using new technologies that can significantly reduce the price and increase the speed of machines.

Highlights during the year in review were as follows:

- The successful IPO raising $2,855,000 (before costs) and listing on the Australian Securities Exchange in August 2016, under the code "A3D".
- The signing of a non-binding term sheet with WorleyParsons in January to establish a proposed commercial venture to deliver the benefits of advanced 3D metal printing technologies to the major infrastructure, mining and other resource companies around the world.
- Completion of a capital raising of $7,000,000 (before costs) by way of a placement to institutional and sophisticated investors in February 2017.
- Commenced the sales pathway of the SFP with early stage revenue from new sales of $112,000 recorded during FY 2017.
- Relocation to its new headquarters in Bibra Lake, which are 3.5 times the size of the old premises. Importantly, the move has allowed Aurora to shift all its manufacturing in-house, including its materials testing and analysis laboratory and improve turnaround time for testing printed parts in hours rather than weeks.
- Building of the first prototype MFP machine which is undergoing a series of tests and refinements to get it to the stage where it can print complex parts rapidly.
- Lodging of patent applications for 6 new inventions, entry into national phase in 9 countries for another patent application, and continued prosecution of a further 7 patent or trade mark applications during the financial year relating to the Company's printing technologies and associated products and services.

Small Format Printer (SFP S-Titanium)


Ti6Al4V SLM – Rhom Ball

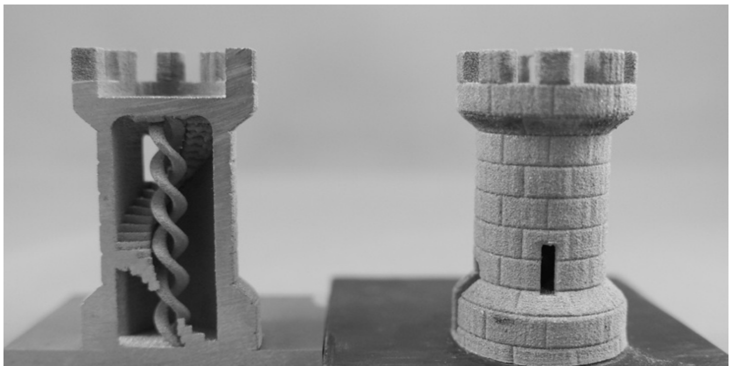
During the year Aurora made advancements on its SFP and signed a number of agreements with various distributors. This included an agreement with Novabeans Prototyping Labs (http://www.novabeans.com) in India to sell, market, distribute, install, maintain and service Aurora's SFP in the country, in addition to a non-exclusive licence to operate in Sri Lanka, Nepal and Bhutan. Novabeans has begun the process of attaining Bureau of Indian Standards (BIS) approval, required for import of printers and other goods into India at its own expense. Aurora expects this to be completed before the end of the 2017 calender year allowing shipment into India. Novabeans has already begun actively seeking customers for the SFP, and Aurora is currently producing samples for its customers until a machine is imported.

Interest in the SFP remains high with the volume of quotations and tenders increasing. The samples, required by most customers before committing to purchase, have been standardised to increase the rate at which Aurora can deliver them and conclude a sale.

During the year the Company signed an agreement with 3D-Mectronic (https://www.3d-mectronic.de/metall/) to sell, market, distribute, install, maintain and service the SFP, with 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).

3D-Mectronic has also purchased a SFP machine and the German distributor is marketing the printer to a number of potential customers, who have requested samples to be tested. Samples, which are the first step towards commercialisation, are being printed and will be sent to the relevant parties over the coming months.

These contracts with Tier One distributors, provide Aurora with the entrance into new and compelling markets, in Asia and in Europe. Furthermore, Aurora Labs is currently in discussions with a Denmark-based company for a distribution agreement covering Scandinavia (Denmark, Finland, Sweden and Norway).



Ti6Al4V SLM Print – Rook

Aurora has made ongoing product improvement on its SFP with the increase in print resolution and a broadening of materials being printed, including metal alloys such as 304 SS (stainless steel), bronze, NiSiB (nickel, silicon boron) and CoCr (cobalt, chromium).

Aurora has commenced the sales pathway of its SFP with the early stage revenue from new sales recorded during the final quarter of FY 2017. The Company is aiming to achieve regular sales of its SFPs in the second quarter of FY 2018. However, the production and commercialisation of the Medium and Large Format Printers will be Aurora's key focus over the long term.

Medium Format Printer (MFP) / Large Format Printer (LFP)

The Company's proprietary technology used to develop the MFP and LFP is different to the technology used for the SFP, with a different development process and pathway to market. The Company believes the MFP and LFP will be able to replace a percentage of traditional metal manufacturing, and the LFP will be especially beneficial to the mining, oil and gas and most heavy industries.

There are two separate processes being carried out in parallel for the development of the large format technology. The first is a prototype - this is similar in size and operation to a MFP and is designed to prove out the technology and to validate Aurora's claims around speed and quality. This machine has been built and is undergoing a series of tests and refinements to get it to the stage where it can print complex parts rapidly. Aurora is pleased with the advancements on the development of this prototype.

In parallel to the development of the prototype, is the pre-production model of the first MFP machine with the preliminary design almost complete, and with parts now on-hand for the initial build of the first pre-production MFP machine.

The Company expects the MFP and LFP will have the ability to produce complex metal based 3D printed parts in an extremely rapid time. Aurora is focusing on accelerating the pathway to market with the ultimate goal of delivering the MFP and LFP.

Powder production prototype

Test work of a powder production prototype is due to commence in first quarter FY 2018. The timeline is matched with the development of the MFP/ LFP to meet the increased demand for metal powders upon the completion of the larger printers.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The objective of the Company is to create long-term shareholder value through the design and development of metal 3D printers and associated products and services.

The activities outlined in the Review of Operations are inherently risky and the Board is unable to provide certainty of the expected timing and financial results of these activities, or that any or all of these likely developments will be achieved. All future activities are subject to various risks and there are no assurances that these targeted milestones will be reached or that the stated timeframes will be met.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than reported above in the Review of Results and Operations, there were no significant changes in the state of affairs of the Company during the reporting period.

LOSS PER SHARE

	2017 $	2016 $
Basic loss per share	**0.063**	0.015

DIVIDENDS OR DISTRIBUTIONS

No dividends were paid during the financial year and the Directors do not recommend the payment of a dividend.

EMPLOYEES

The Company had 40 employees as at the 30 June 2017 (2016: 12).

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

On 7 July 2017, 6,300,000 Class A Performance Shares were automatically redeemed and cancelled as the relevant Milestone for their conversion was not satisfied by 30 June 2017. Refer Aurora's announcement to ASX dated 14 July 2017 ('Release of Options from Escrow & other changes to Securities').

On 17 July 2017, the Company changed its registered address and principal place of business to Unit 2/ 79 Bushland Ridge Bibra Lake, Western Australia 6163.

On 25 July 2017, Samantha Tough resigned as Chairperson and David Budge was appointed interim Chairperson.

On 26 July 2017, Mathew Whyte was appointed Non-Executive Director.

Other than the above, there have been no other matters or circumstances which have arisen since 30 June 2017 that have significantly affected or may significantly affect:

a) Aurora Labs operations in future financial years; or
b) The results of those operations in future financial years; or
c) Aurora Labs state of affairs in future financial years.

ENVIRONMENTAL LAWS AND REGULATIONS

Aurora Labs operations are subject to various environmental laws and regulations under the relevant government's legislation. The Company adheres to these laws and regulations. There have been no known breaches of environmental laws and regulations by the Company during the financial year.

INFORMATION ON THE DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are as follows.

David Budge	Managing Director and Interim Chairman	Director since incorporation
Nathan Henry	Executive Director	Appointed 23 November 2015
Mathew Whyte	Non-Executive Director and Company Secretary	Appointed 26 July 2017 Appointed 13 October 2016
Samantha Tough	Non- Executive Chairman	Appointed 12 June 2017, resigned 25 July 2017
Paul Kehoe	Non-Executive Chairman	Appointed 11 April 2016, resigned 30 June 2017

David Parker	Non-Executive Director and	Appointed 23 November 2015, resigned 28 November 2016
	Company Secretary	Appointed 23 November 2015, resigned 13 October 2016
Hendrikus Herman	Non-Executive Director	Appointed 11 April 2016, resigned 12 May 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

CURRENT DIRECTORS AND OFFICERS

David Budge

Managing Director and Interim Chairman

Qualifications: Bachelor of Science (Chemistry) from University of Western Australia

Term of office: Since incorporation.

Mr Budge has extensive industry experience in robotics, robotic welding, surfacing engineering, product development and manufacturing processes. He has become recognised for his experience in solving difficult fabrication and surface engineering problems for clients. He is the primary inventor of the large majority of Aurora's inventions that are the subject of its patent applications.

Mr Budge has experience developing and manufacturing a range of products for Australian and international markets. He has previously worked for a number of engineering companies overseeing several departments, product development and R&D. More recently Mr Budge established and ran Advanced Industrial Manufacturing Pty Ltd, a company that specialised in providing robotic welding and specialised technology solutions to the mining and oil and gas sectors.

Mr Budge is a founding director and significant shareholder in Aurora.

During the three- year period to the end of the financial year, Mr Budge has not been a director of any other listed company.

John (Nathan) Henry

Executive Director (Business Development)

Term of office: Since 23 November 2015.

Mr Henry has held senior management roles over the last 25 years. He has been involved in every level of strategic planning, divisional financial reporting and senior corporate accountability up to Board level. His roles have covered the full spectrum of responsibility including process and business model development, new business development, technology implementation and roll out through distributed networks, market research and writing of business plans. He has experience with ISO certification, equipment purchases recommendations, workflow planning, skilled employee hires, securing AVL status and marketing plans. He has previously developed and led sales teams for market leading companies both in Australia and in the USA.

Mr Henry is responsible for developing the strategy and processes required for branding and marketing the Company's products and services. These include, but are not limited to, 3D printers, consumables, services and licensing. He is responsible for developing advertising materials, overseeing web design and social media campaigns as well as monitoring metrics for these modes of communication and marketing.

During the three- year period to the end of the financial year, Mr Henry has not been a director of any other listed company.

Mathew Whyte

Non-Executive Director and Company Secretary

Qualifications: Bachelor of Business (Accounting) from Curtin University, CPA since 1985 and a Fellow of Institute of Chartered Secretaries and Administrators (Governance Institute of Australia) since 1995.

Term of office: Company Secretary since 13 October 2016. Non -Executive Director since 26 July 2017.

Mr Whyte is a professional executive with over 30 years' experience in corporate administration and financial management of small to medium ASX listed entities. He has specific and hands on Board, Company Secretarial and CFO experience for WA based ASX Listed Mining, Mining Services, Biotech, Oleochemical and Renewable fuel generation industries with overseas operations experience in USA, South East Asia, Africa, Eurozone and the UK.

During the three- year period to the end of the financial year, Mr Whyte has served as a Non– Executive Director and Company Secretary of Kingston Resources Limited (ASX: KSN) (September 2011 - July 2015), and is Company Secretary for Novo Litio Ltd (ASX: NLI) (November 2011 – Current).

PAST DIRECTORS

Samantha Tough

Non-Executive Chairman

Qualifications: ***Fellow of the AICD and completed a Bachelor of Laws and Bachelor of Jurisprudence at University of WA.***

Term of office: 12 June 2017 to 25 July 2017

Samantha Tough is a professional independent director with more than 15 years' experience as a company Director and Chairman across a diverse range of industries including technology, natural resources and energy. Ms Tough elected to resign as a director following her recent appointment to the board of the Federal Government's Clean Energy Finance Corporation (CEFC).

Ms Tough is currently Chairman of Aerison Pty Ltd (mining and oil and gas services), a Director of Saracen Mineral Holdings Limited (ASX:SAR) and Synergy (WA's largest gas and electricity provider) and Deputy Chair of WA Academy of Performing Arts (WAAPA). Ms Tough is also currently Chairman of a private company establishing a disruptive technology in the security and safety industry and she is also Chairman of the Investment Advisory Committee at Bluemount Capital.

During the three-year period to the end of the financial year, Ms Tough has served as Chairman of Molopo Energy Ltd (ASX:MPO) and Australian Grains Champion Pty Ltd and as a director of Cape plc (CIU: LN).

Paul Kehoe

Non-Executive Chairman

Qualifications: Bachelor of Business (Acc.) from Monash University; CA; Graduate Diploma of Science (with First Class Honours) from Monash University.

Term of office: 11 April 2016 to 30 June 2017

Mr Kehoe has over 20 years' experience in corporate finance and restructuring as a Chartered Accountant with firms such as PricewaterhouseCoopers and Grant Thornton in senior management roles. Mr Kehoe elected to resign to retire from corporate life.

Mr Kehoe served as the managing director of Syrah Resources Limited from December 2011 until October 2014. He oversaw the early development of Syrah Resources' world class graphite project at Balama, Mozambique and was involved in the acquisition of the Tanzanian projects. He has also performed business development roles with other ASX-listed and unlisted resource exploration companies.

During the three -year period to the end of the financial year, Mr Kehoe served as a director of one other listed company being Syrah Resources Ltd (ASX:SYR) (December 2011 – October 2014).

Hendrikus (Dick) Herman

Non-Executive Director

Bachelor of Laws from Australian National University; Bachelor of Commerce from Australian National University

Term of office: 11 April 2016 to 12 May 2017

Mr Herman is a lawyer providing expert advice on commercial law matters. Mr Herman elected to resign as a director to focus on his role as a senior associate at Curwoods Lawyers. He has almost 20 years' experience in legal and commercial roles and has handled matters for companies of all shapes and sizes, in Australia and overseas.

Mr Herman has a particular interest in franchise operations and their regulation and compliance, having provided advice on the Franchising Code of Conduct in its various forms since its introduction in 1998. He also has developed and maintained legal and risk compliance functions for companies, including work health and safety frameworks around their workforces.

During the three- year period to the end of the financial year, Mr Herman has not been a director of any other listed company.

David Parker

Non-Executive Director & Company Secretary

Qualifications: Bachelor of Commerce from Curtin University; Graduate Diploma in Applied Corporate Governance

Term of office: 23 November 2015 to 28 November 2016

Mr Parker is an experienced corporate advisor and has served as a director or company secretary of a number of ASX-listed companies. Mr Parker resigned as a director to pursue his career with Alto Capital, a stockbroking and corporate advisory firm of which he is an employee. He is also the sole director of Cobblestones Corporate Pty Ltd who provides corporate advisory and company secretarial services to ASX-listed companies.

During the three -year period to the end of the financial year, Mr Parker served as a director of one other listed company being Syntonic Ltd (previously Pacific Ore Ltd) (ASX: SYT) (November 2009 – July 2016).

DIRECTORS' INTERESTS

As at the date of this report the relevant interests of each of the Directors, held either directly or indirectly through their associates, in the securities of Aurora are as follows:

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance shares (Class B & C)
David Budge[1]	23,946,785	1,005,000	10,315,538
Nathan Henry[2]	982,151	1,958,334	358,456
Mathew Whyte[3]	-	50,000	-
Samantha Tough[4]	-	-	-
Paul Kehoe[5]	2,093,750	1,500,000	175,000
David Parker[6]	860,000	1,000,000	187,114
Hendrikus Herman[7]	932,151	1,693,333	336,928
Total	**28,814,837**	**7,206,667**	**11,373,036**

[1] Subsequent to 30 June 2017 (on 7 July 2017), 4,420,945 Class A Performance Shares held by Mr Budge were automatically redeemed and cancelled as the relevant Milestone for their conversion was not satisfied by the required date (i.e. by 30 June 2017).

[2] Subsequent to 30 June 2017 (on 7 July 2017), 153,628 Class A Performance Shares held by Mr Henry were automatically redeemed and cancelled as the relevant Milestone for their conversion was not satisfied by the required date (i.e. by 30 June 2017).

[3] Mr Whyte was granted 50,000 Unquoted Options pursuant to Aurora Employee Incentive Plan on 14/3/2017 Exercisable at $3.00 and Expiring on 31/3/2020. Subsequent to 30/6/2017, on 26 July 2017 an offer was made pursuant to the Aurora Employee Incentive Plan for Mr Whyte to be granted 100,000 Unquoted Options, subject to shareholder approval at the next Annual General Meeting, at an exercise price of $0.95 and an expiry date of 31 July 2020.

[4] An offer made on 12 June 2017 pursuant to the Aurora Employee Incentive Plan for Ms Tough to be granted 100,000 Unquoted Options subject to shareholder approval at the next Annual General Meeting expired on the date of resignation as a Director on 25 July 2017.

[5] Held at date of resignation on 30 June 2017. Subsequent to 30 June 2017 (on 7 July 2017), 75,000 Class A Performance Shares held by Mr Kehoe were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by the required date (i.e. by 30 June 2017).

[6] Held at date of resignation on 28 November 2016. Subsequent to 30 June 2017 (on 7 July 2017), 80,192 Class A Performance Shares held by Mr Parker were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by the required date (i.e. by 30 June 2017).

[7] Held at date of resignation on 12 May 2017. Subsequent to 30 June 2017 (on 7 July 2017), 80,192 Class A Performance Shares held by Mr Parker were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by the required date (i.e. by 30 June 2017).

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the year ended 30 June 2017 and the number of meetings attended by each Director. There was a total of ten (10) Directors' meetings for the financial year.

	Directors' meetings		Audit Committee meetings	
2017	Directors' meetings held	Number attended	Audit meetings held	Audit meetings attended
David Budge	10	10	-	-
Nathan Henry	10	9	-	-
Mathew Whyte	-	-	-	-
Samantha Tough	1	1	-	-
Paul Kehoe	10	10	1	1
David Parker	2	2	1	1
Hendrikus Herman	9	9	1	1

In addition, throughout the course of the year there were 18 resolutions of directors which were made by unanimous written resolution.

The Audit Committee was established on 3 June 2017 and one (1) Audit Committee meetings was held during the year.

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Aurora for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

(a) Key Management Personnel

The remuneration report details the remuneration arrangements for key management personnel ("**KMP"**) of the Company who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The KMP of the Company during or since the end of the financial year were as follows:

KMP	Position	Period of Employment
David Budge	Managing Director	1 November 2015 to current
Nathan Henry	Executive Director	23 November 2015 to current
Mathew Whyte	Company Secretary ; and	13 October 2016 to current
	Non-Executive Director	26 July 2017 to current
Samantha Tough	Non- Executive Chairman	12 June 2017 to 25 July 2017
Paul Kehoe	Non- Executive Chairman	11 April 2016 to 30 June 2017
David Parker	Company Secretary; and	23 November 2015 to 13 October 2016
	Non-Executive Director	23 November 2015 to 28 November 2016
Hendrikus Herman	Non-Executive Director	11 April 2016 to 12 May 2017

*Note: Ms Jessica Snelling, (Printer Development Engineer) who remains a senior manager and employee of the Company, was considered to have ceased to be a KMP effective from 1 July 2016.

(b) Remuneration Philosophy and Policy

The Board has adopted Remuneration and Nomination Policy dated May 2016 (Refer http://auroralabs3d.com/corporate-compliance/). The Company's remuneration policy for its KMP's is administered by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the period ended 30 June 2017. The Corporate Governance Statement provides further information on the Company's remuneration governance.

Due to the Company's size and current stage of development, the Board has not established a separate nomination and remuneration committee at this stage. This function (Remuneration Function) is performed by the Board. Therefore the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Managing Director, the Directors and the executive team.

In addition, all matters of remuneration will continue to be in accordance with the Corporations Act requirements, especially with regard to related party transactions. That is, none of the directors participate in any deliberations regarding their own remuneration or related issues.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

(c) Non-Executive Director remuneration

On appointment to the Board, all Non-Executive Directors enter into service agreements with the Company in the form of a Non- Executive deed of Engagement. The Deed of Engagement summarises the Board policies and terms of engagement including remuneration relevant to the office of director.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors was set by shareholders at General Meeting held on 8 June 2016 at $250,000 per annum. Total Non–Executive remuneration fees paid during the year ended 30 June 2017 were $91,433 (including Superannuation contributions). The Board considers that the aggregate remuneration available for payment will provide the ability to attract and retain Directors of the highest calibre to meet the Company's growth in market capitalisation and complexity, at a cost that is acceptable to shareholders.

Within that maximum aggregate the Board seeks to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Fees may also be paid to Non-Executive Directors for additional consulting services provided to the Company.

Fees for Non-Executive Directors are not linked to the performance of the Company. Non- Executive Directors' remuneration may also include an incentive portion consisting of options, subject to shareholder approval. Non-Executive Directors are considered Eligible Employees for the purposes of participation in the Company's Employee Incentive Plan.

(d) Executive Director Remuneration

In determining Executive Director remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent;
- Aligned to the Company's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

The Company's remuneration policy is to provide a fixed remuneration component and a short and long- term performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, statutory superannuation contributions and other non-cash benefits. Fixed remuneration is reviewed annually by the Board in accordance with the Remuneration and Nomination Policy.

Performance Based Remuneration – Short Term Incentive

No Short-Term Incentives were paid or are payable in relation to FY 2017 or FY 2016.

The Board intends to implement a system where Executives may be entitled to an annual cash bonus upon achieving various key performance indicators ("**KPI's**"), as set by the Board. Having regard to the operations of the Company, the Board may determine these KPI's, including measures such as successful commercialisation of the Company's products and services, production and sales levels, operational cash flows, corporate activities and business development activities.

Performance Based Remuneration – Long Term Incentive

The Board seeks to align the interests of its Executives and Employees with those of its shareholders and accordingly has chosen to issue Company Options to some Executive Directors and Employees pursuant to its Employee Incentive Share Plan ("**Plan**"), as a key component of the Long -Term Incentive portion of their remuneration. Award of Options is based on the following 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 Executives and 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 Aurora.

During the year, on 16 March 2017, the Company amended its Plan to enable tax deferral in relation to options, performance rights and other awards granted under the Plan pursuant to subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)*.

A copy of the Plan is available on the Company's Website.

During the financial year ended 30 June 2017 the Company granted a total of 1,411,000 Unquoted Options pursuant to the Plan (2016: Nil). Of these, 545,000 Unquoted Options were granted to Executive Directors with the approval of shareholders at General Meeting held on 12 June 2017. The remaining 866,000 Unquoted Options were granted to Eligible Employees under the Plan.

(e) Relationship between Remuneration of KMP and the Company's Performance

Director's remuneration is set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Directors are not currently linked to the performance of the Company. This policy may change once the Company's design, development and commercialisation phases of its business is complete and the Company is generating revenue and profits. The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its metal 3D printing and associated products and services activities. During the current and previous financial period the Company's remuneration policy is not impacted by the Company's performance including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders), however this will be reviewed on an annual basis.

(f) Voting and comments made at the Company's 2016 Annual General Meeting

Aurora received 100% of "Yes" votes on its remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

(g) Executive Director Engagement Deeds

Remuneration and other terms of employment for KMP are formalised in Engagement Deeds which specify the components of remuneration, benefits and notice period.

David Budge

Mr Budge is remunerated pursuant to the terms and conditions of his Engagement Deed dated 3 May 2016, as varied on 10 January 2017 following a review of his employment conditions conducted by the Board.

Mr Budge was paid an annual salary of $160,000 plus superannuation up until 9 January 2017 and $250,000 per annum plus superannuation thereafter. Mr Budge is also paid (by way of reimbursement) a vehicle allowance comprising business fuel costs, reasonable servicing costs, comprehensive insurance premiums, registration and third- party insurance costs, and finance payments of between $350 and $400 per month.

Nathan Henry

Mr Henry is remunerated pursuant to the terms and conditions of his Engagement Deed dated 4 May 2016, as varied on 15 March 2017 following a review of his employment conditions conducted by the Board.

Mr Henry was paid an annual salary of $150,000 plus superannuation up until 15 March 2017 and $230,000 per annum plus superannuation thereafter.

The material terms of both the Deeds for the Executive Directors are as follows:

(i) The employment of each Director may be terminated without cause by the Director or Aurora giving 6 months' notice. Aurora may otherwise terminate a Director's employment immediately for cause (e.g. serious misconduct).

(ii) Each Director is subject to a post-employment restraint on engaging in a business of the same or substantially similar nature to Aurora or soliciting Aurora's employees, suppliers or clients within the Asia Pacific region for up to 6 months.

The Deeds otherwise contain terms and conditions considered standard for deeds of this nature.

Remuneration of KMP

Details of the nature and amount of each element of the emoluments of each of the KMP of Aurora during the financial year were as follows:

	Short-term benefits		Post-employment benefits	Share-based payments		
FY 2017	**Salary & fees $**	**Motor vehicle payments $**	**Superannuation $**	**Options $**	**Total $**	**Percentage performance related %**
Directors						
David Budge[1]	201,538	6,550	19,146	79,302	306,536	-
Nathan Henry[2]	172,462	-	16,384	75,544	264,390	-
Mathew Whyte[3]	70,400	-	-	58,380	128,780	-
Paul Kehoe	43,654	-	4,147	-	47,801	-
David Parker[4]	29,365	-	985	-	30,350	-
Hendrikus Herman	26,250	-	2,494	-	28,744	-
Samantha Tough	3,231	-	307	-	3,538	-
Total	**546,900**	**6,550**	**43,463**	**213,226**	**810,139**	**-**

[1] David Budge was granted 280,000 Unquoted Options pursuant to Aurora Employee Incentive Plan as approved by shareholders at General Meeting held on 12 June 2017 of which:

- 115,000 Options Exercisable at $2.23 and Expiring 30/11/2019 were valued using Black-Scholes pricing model at $0.2925 each; and
- 165,000 Options Exercisable at $3.00 and Expiring 31/03/2020 were valued using Black-Scholes pricing model at $0.2768 each.

[2] Nathan Henry was granted 265,000 Unquoted Options pursuant to Aurora Employee Incentive Plan as approved by shareholders at General Meeting held on 12 June 2017 of which:

- 140,000 Options Exercisable at $2.23 and Expiring 30/11/2019 were valued using Black-Scholes pricing model at $0.2925 each; and

- 125,000 Options Exercisable at $3.00 and Expiring 31/03/2020 were valued using Black-Scholes pricing model at $0.2768 each.

[3] Mathew Whyte provided company secretarial services commencing on 13 October 2016 through his controlled entity WhyPro Corporate Services ABN 53 844 654 790. Payments for company secretarial services during FY 2017 totalled: $70,400. Mr Whyte was also granted 50,000 Unquoted Options on 14/03/2017, pursuant to Aurora's Employee Incentive Plan, Exercisable at $3.00 and Expiring 31/03/2020 which were valued using Black-Scholes pricing model at $1.1676 each.

[4] David Parker provided company secretarial services through a controlled entity Cobblestones Corporate Pty Ltd. Payments for company secretarial services during FY 2017 year totalled: $19,000. David Parker is also an employee of Alto Capital who provided Lead Manager and capital raising services to the Company. Alto Capital was paid $222,452 for services during FY 2017. David Parker was also issued 363,333 ordinary shares as consideration for services from Alto Capital through the Lead Manager mandate agreement during FY 2017.

	Short-term benefits	Post- employment benefits	Share-based payments		
	Salary & fees	Superannuation	Options	Total	Percentage performance related
FY 2016	$	$	$	$	%
Directors					
Paul Kehoe[2]	-	-	5,000	5,000	-
David Budge[3]	93,538	8,886	7,500	109,924	-
Nathan Henry	114,188	10,848	16,934	141,970	-
David Parker[4]	8,000	-	-	8,000	-
Hendrikus Herman	-	-	16,933	16,933	-
Other KMP					
Jessica Snelling[5]	65,615	6,233	2,183	74,031	-
Total	**281,341**	**25,967**	**48,550**	**355,858**	**-**

[1] Non-Executive Directors did not receive their salary during the FY 2016 as payment of Non-Executive Director salary became effective on the Company gaining official quotation of its securities on ASX.

[2] Paul Kehoe was also issued 93,750 shares and 250,000 Performance shares as consideration for services from Alto Capital through the Lead Manager mandate agreement during FY 2016.

[3] David Budge became a full- time employee on 1 November 2015. Prior to this he provided engineering services through a related entity Advanced Industrial Manufacturing Pty Ltd (**AIM**). During the year a total of $160,013 was paid to AIM for engineering services, associated services and reimbursements. An additional payment of $30,753 was made to AIM in satisfaction of a loan payable to AIM.

[4] David Parker provided company secretarial services through a controlled entity Cobblestones Corporate Pty Ltd. Payments for company secretarial services during FY 2016 totalled: $8,000. David Parker is also an employee of Alto Capital who provided Lead Manager and capital raising services to the Company. Alto Capital was paid $140,000 for services during FY 2016. David Parker was also issued 96,667 ordinary shares and 174,999 performance shares as consideration for services from Alto Capital through the Lead Manager mandate agreement during FY 2016.

[5] Ms Jessica Snelling, (Printer Development Engineer) who remains a senior manager and employee of the Company, was considered to have ceased to be a KMP effective from 1 July 2016.

Cash bonuses granted as compensation for the current financial year.
No cash bonuses were granted during the year ended 2017 (2016: nil)

Options

Details of Options granted as compensation pursuant to the Aurora Employee Incentive Plan for the current financial year
For details on the valuation of the options, including models and assumptions used, please refer to Note 20. There were no material alterations to the terms and conditions of options granted as remuneration since their grant date.

During FY 2017 KMP were issued Company Options, pursuant to the Employee Share Plan, and with shareholder approval where required. The table below details all options issued during FY 2017, noting some options have been issued to employees or consultants that are not KMPs.

FY 2017 **Date options granted**	**Number of Options**	**Exercise price of option**	**Expiry date of option**
22/11/2016	225,000	$2.23	30/11/2019
14/03/2017	641,000	$3.00	31/03/2020
12/06/2017	255,000	$2.23	30/11/2019
10/05/2017	290,000	$3.00	31/03/2020
Total	**1,411,000**		

Options issued to KMP and other in FY 2016 were issued outside of the Employee Share Plan which was adopted on 3 June 2016.

FY 2016 **Date options granted**	**Number of Options**	**Exercise price of option**	**Expiry date of option**
23/11/2015[1]	1,500,000	$0.20	31/12/2018
10/05/2016	4,250,000	$0.20	31/12/2018
Total	**5,750,000**		

[1] Number of options issued on a post consolidation basis.

Company Options granted to KMP

During the financial year, Unquoted Options were granted to the following KMP, or the entities they controlled, pursuant to the Employee Incentive Plan as part of their remuneration.

FY 2017	**Exercise price**	**Expiry date**	**Number of options granted**	**Total number of shares under option at the end of the year**
Directors				
David Budge	$2.23	30/11/2019	115,000	115,000
David Budge	$3.00	31/03/2020	165,000	165,000
Nathan Henry	$2.23	30/11/2019	140,000	140,000
Nathan Henry	$3.00	31/03/2020	125,000	125,000
Mathew Whyte	$3.00	31/03/2020	50,000	50,000
Paul Kehoe	-	-	-	-
Samantha Tough	-	-	-	-
Hendrikus Herman	-	-	-	-
David Parker	-	-	-	-
Total			**595,000**	**595,000**

FY 2016	**Exercise price**	**Expiry date**	**Number of options granted**	**Total number of shares under option at the end of the year**
Directors				
Paul Kehoe	$0.20	31/12/2018	500,000	500,000
David Budge	$0.20	31/12/2018	725,000	725,000
Nathan Henry[1]	$0.20	31/12/2018	1,693,334	1,693,334
David Parker	-	-	-	-
Hendrikus Herman	$0.20	31/12/2018	1,693,333	1,693,333
Executives				
Jessica Snelling[2]	$0.20	31/12/2018	218,333	218,333
Total			**4,830,000**	**4,830,000**

[1] Number of options issued on a post consolidation basis.

[2] Ms Jessica Snelling, (Printer Development Engineer) who remains a senior manager and employee of the Company, was considered to have ceased to be a KMP effective from 1 July 2016.

There were no alterations to the terms and conditions of Options granted as remuneration since their grant date, other than minor amendments to the term relating to transferability of the Options which was approved by shareholders at a general meeting on 13 June 2016.

There were no shares issued during FY 2016 or FY 2017 as a result of the exercise of an Option by KMP. No Options lapsed during FY 2016 or FY 2017.

Shares and performance shares issued to KMP

During FY 2017 no shares and performance shares were issued to KMP as part of their remuneration.

During FY 2016 the following shares and performance shares were issued to KMP, or the entities they controlled, as part of their remuneration.

FY 2016	Number of shares issued (pursuant to Alto Capital Lead Mandate)	Number of performance shares (Class A[2], B & C) (pursuant to Alto Capital Lead Mandate)	Number of performance shares (Class A[2], B & C) (pursuant to bonus issue to all shareholders)[1]
Directors			
Paul Kehoe	93,750	250,000	-
David Budge	-	-	14,736,483
Nathan Henry	-	-	512,084
David Parker	96,667	174,999	92,307
Hendrikus Herman	-	-	481,325
Executives			
Jessica Snelling	-	-	818,693
Total[1]	**190,417**	**424,999**	**16,640,892**

1 Performance shares were issued for nil consideration as a bonus issue following shareholder approval.
2 Subsequent to 30 June 2017, all Class A Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2017.

Loans to and from KMP

There were no loans made to or from KMP during FY 2017 and there are no loans outstanding from KMP at the date of this report.

During FY 2015 the Company loaned funds from KMP (or controlled entities) as well as provided loans to KMP. Loans were on unsecured terms and there were no loans outstanding as at the end of FY 2016.

Aggregate amounts in respect of loans made to KMP

	Balance at beginning of year	Interest charged	Arm's length interest differential (i)	Allowance for doubtful receivables	Balance at end of year	Number of key management personnel
30 June 2017	-	-	-	-	-	-
30 June 2016	31,278	-	-	-	-	1

(i) The amount above refers to the difference between the amount of interest received and receivable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

Aggregate amounts in respect of loans provided by KMP

	Balance at beginning of year	Interest charged	Arm's length interest differential (j)	Balance at end of year	Number of key management personnel
30 June 2017	-	-	-	-	-
30 June 2016	30,753[1]	-	-	-	1

(j) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arm's length basis.

[1] This amount refers to amounts that were owed to Advanced Industrial Manufacturing Pty Ltd, a controlled entity of David Budge.

KMP equity holdings

Fully paid ordinary shares

FY 2017	Balance at beginning of year Number	Granted as compensation Number[3]	Received on exercise of options Number	Net change other Number[2]	Balance at end of year Number	Balance held nominally Number
Directors						
David Budge	23,946,785	-	-	-	23,946,785	-
Nathan Henry	832,151	-	-	150,000	982,151	150,000
Mathew Whyte	-	-	-	-	-	-
Paul Kehoe[1]	1,093,750	-	-	1,000,000	2,093,750	2,093,750
David Parker[1]	246,667	363,333	-	250,000	860,000	400,000
Hendrikus Herman[1]	782,151	-	-	150,000	932,151	932,151
Samantha Tough[1]	-	-	-	-	-	-

[1] Held as at date of resignation.
[2] Shares acquired by subscription through IPO Prospectus for a consideration paid of $0.20 per share
[3] David Parker was also an employee of Alto Capital who provided Lead Manager and capital raising services to the Company. David Parker was issued 363,333 ordinary shares as consideration for services from Alto Capital through the Lead Manager mandate agreement during FY 2017.

FY 2016	Balance at beginning of period Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number	Balance at end of year Number	Balance held nominally Number
Directors						
David Budge	91,500,000	-	-	(67,553,215)	23,946,785	-
Nathan Henry	-	-	-	832,151	832,151	-
Paul Kehoe	-	93,750	-	1,000,000	1,093,750	1,093,750
David Parker	-	96,667	-	150,000	246,667	150,000
Hendrikus Herman	2,939,583	-	-	(2,157,432)	782,151	782,151
Executives						
Jessica Snelling	5,000,000	-	-	(3,669,663)	1,330,337	-

*Negative amount relates to share consolidation which reduced the number of shares on issue and a transfer of securities to a related party.

Company Options

FY 2017	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number[2]	Balance at end of year Number
Directors					
David Budge	725,000	280,000	-	-	1,005,000
Nathan Henry	1,693,334	265,000	-	-	1,958,334
Mathew Whyte	-	50,000	-	-	50,000
Paul Kehoe[1]	500,000	-	-	1,000,000	1,500,000
David Parker[1]	-	-	-	1,000,000	1,000,000
Hendrikus Herman[1]	1,693,333	-	-	-	1,693,333
Samantha Tough[1]	-	-	-	-	-

[1] Held as at date of resignation.
[2] Options acquired by subscription through IPO Prospectus for a consideration paid of $0.01 per share

FY 2016	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
Paul Kehoe	-	500,000	-	-	500,000
David Budge	-	725,000	-	-	725,000
Nathan Henry	-	1,693,334*	-	-	1,693,334
David Parker	-	-	-	-	-
Hendrikus Herman		1,693,333	-	-	1,693,333
Executives					
Jessica Snelling	-	218,333	-	-	218,333

*Number of Company Options issued on a post consolidation basis.

All Company Options issued to KMP were made in accordance with the provisions of the Employee Incentive Plan. During the year, no options were exercised or sold. No amounts remain unpaid on the options during the financial year at year end.

Performance Shares Class A

FY 2017	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge[2]	4,420,945	-	-	4,420,945	-
Nathan Henry[2]	153,628	-	-	153,628	-
Mathew Whyte	-	-	-	-	-
Paul Kehoe[1&2]	75,000	-	-	75,000	75,000
David Parker[1&2]	80,192	-	-	80,192	27,692
HendrikusHerman[1&2]	144,397	-	-	144,397	46,154
Samantha Tough[1]	-	-	-	-	-

1 Held as at date of resignation.
2 Subsequent to 30 June 2017, all Class A Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2017.

FY 2016	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
Paul Kehoe	-	75,000	-	75,000	75,000
David Budge	-	-	4,420,945	4,420,945	-
Nathan Henry	-	-	153,628	153,628	-
David Parker	-	52,500	27,692	80,192	27,692
Hendrikus Herman	-	-	144,397	144,397	46,154
Executives					
Jessica Snelling	-	-	245,608	245,608	-

Performance Shares Class B

FY 2017	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge	4,973,945	-	-	4,973,945	-
Nathan Henry	172,832	-	-	172,832	-
Mathew Whyte	-	-	-	-	-
Paul Kehoe[1]	84,375	-	-	84,375	84,375
David Parker[1]	90,216	-	-	90,216	31,154
Hendrikus Herman[1]	162,448	-	-	162,448	51,924
Samantha Tough	-	-	-	-	-

[1] Held as at date of resignation.

FY 2016	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
Paul Kehoe	-	84,375	-	84,375	84,375
David Budge	-	-	4,973,945	4,973,945	-
Nathan Henry	-	-	172,832	172,832	-
David Parker	-	31,154	59,062	90,216	31,154
Hendrikus Herman	-	-	162,448	162,448	51,924
Executives					
Jessica Snelling	-	-	276,309	276,309	-

Performance Shares Class C

FY 2017	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
David Budge	5,341,975	-	-	5,341,975	-
Nathan Henry	185,624	-	-	185,624	-
Mathew Whyte	-	-	-	-	-
Paul Kehoe[1]	90,625	-	-	90,625	90,625
David Parker[1]	96,898	-	-	96,898	33,461
Hendrikus Herman[1]	174,480	-	-	174,480	55,769
Samantha Tough	-	-	-	-	-

[1] Held as at date of resignation.

FY 2016	Balance at beginning of year Number	Granted as compensation for services Number	Issued pursuant to pro-rata bonus issue Number	Balance at end of year Number	Balance held nominally Number
Directors					
Paul Kehoe	-	90,625	-	90,625	90,625
David Budge	-	-	5,341,975	5,341,975	-
Nathan Henry	-	-	185,624	185,624	-
David Parker	-	63,437	33,461	96,898	33,461
Hendrikus Herman	-	-	174,480	174,480	55,769
Executives					
Jessica Snelling	-	-	296,776	296,776	-

END OF AUDITED REMUNERATION REPORT

SHARE OPTIONS

At the date of this report the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Outstanding at 1 July 2016	Lapsed/ Cancelled or Exercised	Outstanding at Date of this Repot
23 Nov 2015[1]	31 Dec 2018	$0.20	1,500,000	(100,000)[5]	1,400,000
10 May 2016	31 Dec 2018	$0.20	4,250,000	-	4,250,000
3 Aug 2016[2]	31 Dec 2018	$0.20	-	-	5,500,000
22 Nov 2016[3]	30 Nov 2019	$2.23	-	-	225,000
14 Mar 2017[3]	31 Mar 2020	$3.00	-	-	641,000
12 Jun 2017[4]	30 Nov 2019	$2.23	-	-	255,000
12 Jun 2017[4]	31 Mar 2020	$3.00	-	-	290,000
TOTAL			5,750,000	(100,000)	12,561,000

[1] Number of options issued on a post consolidation basis.

[2] Options issued pursuant to the Initial Public Offering for $0.01 per option.

[3] Options issued to eligible non- related parties pursuant to Aurora Employee Incentive Plan.

[4] Options issued to eligible related parties pursuant to Aurora Employee Incentive Plan approved at General Meeting on 12 June 2017.

[5] 100,000 fully paid ordinary shares were issued during the year (2015: Nil) as a result of the exercise of Options.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO OFFICERS AND AUDITORS

The Company has entered into Deeds of Indemnity, Insurance and Access with each Director.

Under these deeds, the Company has undertaken, subject to restrictions in the Corporations Act, to:

a) Indemnify each Director from certain liabilities incurred from acting in that position under specified circumstances;
b) Maintain directors' and officers' insurance cover (if available) in favour of each Director whilst that person maintains such office and for seven years after the Director has ceased to be a Director;
c) Provide access to any Company records which are relevant to the Director's holding of office with the Company, for a period of seven years after the Director has ceased to be a director.

During the year, the Company paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all directors and the company secretary.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be bought against the officers in their capacity as officers of the Company, and any payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against any liability as such by an officer or auditor.

NON-AUDIT SERVICES

There were no non -audit services provided during the financial year by the auditor.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 22 and forms part of this Directors' report for the year ended 30 June 2017.

Signed in accordance with a resolution of the Directors.

David Budge

Mr David Budge
Managing Director
Dated this 24 August 2017

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Aurora Labs Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glover

N G Neill
Partner

Perth, Western Australia
24 August 2017

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Continuing operations			
Revenue	3(a)	**237,995**	-
Cost of sales		**(154,062)**	-
Other income	3(b)	**52,255**	495
Advertising		**(155,232)**	(23,871)
Research and development expenses	3(c)	**(504,592)**	(280,168)
Rent		**(113,177)**	(23,475)
Corporate expenses		**(432,037)**	(210,332)
Depreciation		**(28,419)**	(2,392)
Employee benefits		**(2,044,314)**	(460,554)
Employee share based payments (non-cash)	20	**(1,084,984)**	(57,500)
Other expenses	3(d)	**(576,349)**	(147,632)
Interest expense		**-**	(5,895)
Loss before income tax benefit		**(4,802,916)**	(1,211,324)
Income tax benefit	4	**1,403,927**	92,458
Loss for the year		**(3,398,989)**	(1,118,866)
Loss attributable to members of the Company		**(3,398,989)**	(1,118,866)
Other comprehensive income, net of income tax		**-**	-
Total comprehensive loss for the year		**(3,398,989)**	(1,118,866)

		cents	cents
Basic loss per share	5(d)	**6.30**	1.5
Diluted loss per share	5(d)	**6.30**	1.5

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	30 June 2017 $	30 June 2016 $
Assets			
Current Assets			
Cash and cash equivalents	7	**5,249,614**	2,353,226
Trade and other receivables	8	**1,433,179**	90,905
IPO prepayments	9	**-**	130,801
Inventories	10	**509,402**	103,898
Total Current Assets		**7,192,195**	2,678,830
Non-Current Assets			
Property, plant and equipment	11	**357,081**	12,773
Intangible assets	12	**225,545**	59,947
Total Current Assets		**582,626**	59,947
Total Assets		**7,774,821**	2,751,550
Liabilities			
Current Liabilities			
Trade and other payables	13	**632,908**	254,282
Deferred revenue	13	**242,108**	306,743
Accrued annual leave	13	**124,143**	26,579
Share subscriptions received	13	**-**	2,109,160
Total Liabilities		**999,159**	2,696,764
Net Assets		**6,775,662**	54,786
Equity			
Issued capital	5(a)	**10,345,506**	1,365,625
Reserves	5(c)	**1,197,484**	57,500
Accumulated losses		**(4,767,328)**	(1,368,339)
Net Equity		**6,775,662**	54,786

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

YEAR ENDED 30 JUNE 2017	Issued Capital $	Option Reserve $	Allotment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016	**1,365,625**	**57,500**	**-**	**(1,368,339)**	**54,786**
Equity issued during the year (net of share issue costs)	**8,979,881**	**1,139,984**	**-**	**-**	**10,119,865**
Loss for the year	**-**	**-**	**-**	**(3,398,989)**	**(3,398,989)**
Other comprehensive income for the year, net of income tax	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**(3,398,989)**	**(3,398,989)**
Balance as at 30 June 2017	**10,345,506**	**1,197,484**	**-**	**(4,767,328)**	**6,775,662**

YEAR ENDED 30 JUNE 2016	Issued Capital $	Option Reserve $	Allotment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2015	84,625	-	20,000	(249,473)	(144,848)
Equity issued during the year (net of share issue costs)	1,281,000	57,500	(20,000)	-	1,318,500
Loss for the year	-	-	-	(1,118,866)	(1,118,866)
Other comprehensive income for the year, net of income tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,118,866)	(1,118,866)
Balance as at 30 June 2016	1,365,625	57,500	-	(1,368,339)	54,786

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Year ended 30 June 2017 $	Year Ended 30 June 2016 $
Cash flows from operating activities			
Payments to suppliers and employees		**(4,130,484)**	(1,056,680)
Receipts from customers		**112,000**	-
Interest Paid		**-**	**(5,895)**
Interest Received		**41,639**	495
Income tax benefit		**323,927**	92,458
Net cash (used in) operating activities	7	**(3,652,918)**	(969,622)
Cash flows from investing activities			
Property, plant and equipment	11	**(345,619)**	(14,382)
Payments for intangible assets	12	**(161,775)**	(56,337)
Net cash (used in) investing activities		**(507,394)**	(70,719)
Cash flows from financing activities			
Proceeds from issue of shares (net of capital raising costs)		**7,056,521**	1,261,000
Proceeds from unissued shares		**-**	2,109,160
Payments for initial public offer costs		**-**	(130,801)
Proceeds from pre-sold printers		**-**	106,776
Proceeds from borrowings		**-**	30,577
Repayment of borrowings		**-**	(31,278)
Net cash provided by financing activities		**7,056,521**	3,345,434
Net increase in cash held		**2,896,209**	2,305,093
Cash and cash equivalents at the beginning of the year		**2,353,226**	48,133
Exchange rate adjustments		**179**	-
Cash and cash equivalents at the end of the year	7	**5,249,614**	2,353,226

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation
These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the financial statements for the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for Aurora Labs Limited ("Aurora" or the "Company") which has no subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

The Company is a listed public company, incorporated in Australia. The entity's principal activities are the design, development and manufacture of 3D printers and associated products and services.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2017
In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that the following Standards and Interpretations may have a material effect on the Company in future reporting periods.

- AASB 15 Revenue from contracts with Customers
- AASB 16 Leases
- AASB 9 Financial Instruments

The Company have elected to not early adopt these Standards and Interpretations and have not quantified the material effect of application on future periods.

Other than the above, there are no other material impact of the new and revised Standards and Interpretations on the Company and therefore no change is necessary to Company accounting policies.

(c) Statement of compliance
The financial report was authorised for issue in accordance with a resolution of the Directors on 24 August 2017.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements
The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of intangibles with indefinite useful lives:
The Company determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the intangibles with indefinite useful lives are allocated.

Share-based payment transactions:
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using internal valuation models in conjunction with the market price of the share-based payments.

(e) Segment reporting
The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Aurora Labs Limited.

The Company operating segment has been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company operations and allocation of working capital.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being the design, development and manufacture of 3D metal printers and associated products and services for the year ended 30 June 2017 and the year ended 30 June 2016.

The revenues and results of this segment are those of the Company as set out in the statement of comprehensive income and the assets and liabilities of the Company are set out in the statement of financial position.

(f) Foreign currency translation
Both the functional and presentation currency of Aurora Labs Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sale of goods

Revenue is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(h) Leases

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Impairment of tangible and intangible assets other than goodwill

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets and the asset's value in use cannot be estimated to be close to its fair value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as
a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Cash and cash equivalents
Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(m) Trade and other receivables
Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(n) Inventories
Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on diminishing value basis using the following notes:

Plant and equipment	10% to 30%
Leasehold Improvements	Over the term of the lease

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(p) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:

Patents	20 years from application following grant of patent

(q) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(r) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(s) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Company.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(t) Share-based payment transactions

Equity settled transactions

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).
The Company has the following plan in place:

- the Employee Incentive Plan (EIP), which provides benefits to Directors and senior executives and is governed by the Employee Incentive Plan Rules.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by internal valuation using a Black-Scholes model, further details of which are given in Note 20.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, refer Note 5.

Cash settled transactions:

The Company also provides benefits to employees in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Company.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted, refer Note 20. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: SEGMENT REPORTING

The Company only operated in one segment, being design, development and manufacture of 3D metal printers and associated products and services for the year ended 30 June 2017 and the period ended 30 June 2016.

NOTE 3: REVENUE AND EXPENSES

	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
(a) Revenue*		
Sale of Goods	**237,995**	-
Total	**237,995**	-
(b)Other Income		
Interest received	**52,255**	495
Total	**52,255**	495
(c) Research and Development expenses**		
Consultancy fees	**157,843**	2,300
Consumables, design and engineering services	**346,749**	277,868
Total	**504,592**	280,168
(d)Other Expenses		
Freight and Courier	**80,911**	12,009
Insurance	**59,465**	9,737
Software	**55,727**	1,324
Travel	**128,380**	2,224
Payroll Tax	**72,228**	-
Other	**179,638**	122,338
Total	**576,349**	147,632

* Revenue included sales of new machines at full price and a “Kickstarter” SFP’s pre-sold at a discounted price.

** Research and Development expenses relate to direct expenses only. It should be noted that a significant portion of Employee Benefits and Other Costs will be considered eligible expenses for R&D tax claim purposes.

NOTE 4: INCOME TAX

	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
(a) Income tax benefit	**1,403,927**	92,458
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) from ordinary activities	**(4,802,916)**	(1,211,324)
Income tax using the Company's tax rate of 27.5% (28.5% 2016)	**(1,320,801)**	(345,227)
Current period (loss) for which no deferred tax liability was recognised	**1,320,801**	345,227
Income tax benefit relating to Research and Development claim	**1,403,927**	92,458
Income tax benefit attributable to entity	**1,403,927**	92,458

(c) Unrecognised deferred tax

Tax losses for which no deferred tax asset has been recognised	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Losses available for offset against future taxable income	**6,263,713**	1,460,797
Total	**6,263,713**	1,460,797
Potential tax benefits of 27.5% (28.5% 2016)	**1,722,521**	416,327

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

NOTE 5: ISSUED CAPITAL

a) Ordinary Shares

	Year Ended 30 June 2017 Number	Year Ended 30 June 2017 $	Year Ended 30 June 2016 Number	Year Ended 30 June 2016 $
Movements in ordinary shares on issue				
Balance at beginning of the year			110,750,000	84,625
Shares issued prior to consolidation			11,395,833	270,000
Sub-total			122,145,833	354,625
Less Share Consolidation effective 18 December 2015			(89,645,833)	
Balance following Share-Consolidation			32,500,000	354,625
Shares issued after consolidation			7,500,000	1,080,000
Sub-total			40,000,000	1,434,625
Less Share issue costs				(69,000)
Balance at end of year			40,000,000	1,365,625
Balance at beginning of the year	40,000,000	1,365,625		
Shares issued	17,900,000	10,020,000		
Sub total	*57,900,000*	*11,385,625*		
Less share issue costs	-	(1,040,119)		
Balance at end of year	**57,900,000**	**10,345,506**		

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 5: ISSUED CAPITAL (continued)

b) Performance Shares

2016	Class A[1] Number	Class B Number	Class C Number	Total Number
Movements in performance shares on issue				
Balance at beginning of year	-	-	-	-
Performance Shares issued on 18 Dec 2015	6,000,000	6,750,000	7,250,000	20,000,000
Performance Shares issued on 10 May 2016	300,000	337,500	362,500	1,000,000
Total at end of year to 30 June 2016	6,300,000	7,087,500	7,612,500	21,000,000

2017	Class A Number	Class B Number	Class C Number	Total Number
Balance at beginning of year	6,300,000	7,087,500	7,612,500	21,000,000
Performance Shares issued	-	-	-	-
Total at end of year to 30 June 2017	6,300,000	7,087,500	7,612,500	21,000,000

Performance Shares were all issued for nil consideration.

Performance Shares hold no rights over ordinary shares and do not receive any dividends, however convert to Ordinary Shares based on Company Milestones being achieved:

- A Class A Performance Share in the relevant class will convert into one Share upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$1,500,000 before 30 June 2017. [1.]On 7 July 2017, 6,300,000 Class A Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by 30 June 2017. Refer Aurora's announcement to ASX dated 14 July 2017 ('Release of Options from Escrow & other changes to Securities').
- A Class B Performance Share in the relevant class will convert into one Share upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$5,000,000 before 30 June 2018.
- A Class C Performance Share in the relevant class will convert into one Share upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$7,250,000 before 30 June 2019.

NOTE 5: ISSUED CAPITAL (continued)

c) Reserves

	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Reserves		
Balance at beginning of year	**57,500**	20,000
Option Reserve	**1,139,984**	57,500
Prepayment for application for shares converted to shares on 3 July 2015	-	(20,000)
Balance at the end of the year	**1,197,484**	57,500

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 6 for further details.

d) Loss per share

	Year Ended 30 June 2017	Year Ended 30 June 2016
Total loss from continuing operations	**$3,398,989**	$1,118,886
Weighted number of average shares	**54,013,973**	73,176,124
Loss per share	**$0.063**	$0.015

e) Dividends

There were no dividends declared or paid in the year to 30 June 2017 or the period to 30 June 2016.

NOTE 6: COMPANY OPTIONS

	Year Ended 30 June 2017 Number	Year Ended 30 June 2017 $	Year Ended 30 June 2016 Number	Year Ended 30 June 2016 $
Company Options				
Balance at beginning of year				
Options issued prior to consolidation			5,657,500	15,000
Sub Total			5,657,560	15,000
Less Option Consolidation effective 18 December 2015			(4,157,500)	-
Balance following Share Consolidation			1,500,000	15,000
Options issued after consolidation			4,250,000	42,500
Balance at the end of year		-	5,750,000	57,500
Balance at the beginning of the year	**5,750,000**	**57,500**		
Options issued	**6,911,000**	**1,139,984**		
Options exercised	**(100,000)**	-		
Balance at the end of year	**12,561,000**	**1,197,484**		

The following options were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Vesting date
Employee options	1,500,000	23 Nov 2015	31 Dec 2015	$0.20	$0.20	23 Nov 2015
Employee options	4,250,000	10 May 2018	31 Dec 2015	$0.20	$0.20	31 Dec 2015
Options issued under IPO prospectus	5,500,000	3 Aug 2016	31 Dec 2015	$0.20	$0.20	31 Dec 2015
Employee Incentive Plan	225,000	22 Nov 2016	30 Nov 2019	$2.23	$0.29	22 Nov 2016
Employee Incentive Plan	641,000	14 Mar 2017	31 Mar 2020	$3.00	$1.17	14 Mar 2017
Employee Incentive Plan	255,000	12 Jun 2017	30 Nov 2019	$2.23	$0.29	12 Jun 2017
Employee Incentive Plan	290,000	12 Jun 2017	31 Mar 2020	$3.00	$0.28	12 Jun 2017

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. Share options issued prior to listing on the ASX have not been valued using the Black Scholes model.

NOTE 7: CASH AND CASH EQUIVALENTS

	30 June 2017 $	30 June 2016 $
Cash at hand and in bank	**1,228,655**	244,066
Term Deposits	**4,020,959**	-
Cash at hand and in bank - Share subscriptions held on trust	**-**	2,109,160
Total	**5,249,614**	2,353,226

Cash at bank earns interest at floating rates based on daily deposit rates.

The Company did not engage in any non-cash financing activities for the year ended 30 June 2017.

Reconciliation to the Statement of Cash Flows:
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 June 2017 $	30 June 2016 $
Cash and cash equivalents	**5,249, 614**	2,353,226
Total	**5,249,614**	2,353,226

Reconciliation of loss after tax to net cash outflow from operating activities:

	30 June 2017 $	30 June 2016 $
Loss for the year/period	**(3,398,989)**	(1,118,866)
Adjustment for non-cash income and expense items		
Depreciation	**28,419**	2,392
Equity settled share-based payments	**1,084,984**	57,500
Write-down of patent applications	**-**	3,610
Change in assets and liabilities		
Increase in trade and other receivables	**(1,342,274)**	(39,189)
Increase in annual leave accrual	**107,726**	33,252
Increase in inventories	**(405,504)**	(103,898)
Increase in trade and other payables	**272,720**	195,577
Net cash outflow from operating activities	**(3,652,918)**	(969,622)

NOTE 8: TRADE AND OTHER RECEIVABLES

	30 June 2017 $	30 June 2016 $
Bank guarantee	**117,959**	25,000
Accounts Receivable	**61,361**	-
GST	**86,678**	45,497
Advances to suppliers	**10,979**	10,979
Interest receivable	**11,075**	-
Income tax benefit receivable	**1,080,000**	-
Pre-paid expenses	**65,127**	9,429
Total	**1,433,179**	90,905

NOTE 9: IPO PREPAYMENTS

	30 June 2017 $	30 June 2016 $
Legal fees	-	72,362
ASX fees	-	32,262
Other	-	26,177
Total	-	130,801

NOTE 10: INVENTORIES

	30 June 2017 $	30 June 2016 $
Stock on Hand	**190,690**	-
Raw materials – Powders at cost	**15,107**	3,312
Work in progress – Small Format Printers at cost	**303,605**	100,586
Total	**509,402**	103,898

Parts used in development were classified as research and development and expensed.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

(i)Carrying value

	Plant and Equipment $	Computers and Cameras $	Office Equipment $	Leasehold Improvements $	Total $
Cost	131,656	125,220	34,538	96,477	387,891
Accumulated depreciation and impairment	(7,153)	(20,571)	(3,086)	-	(30,810)
Carrying value as at 30 June 2017	**124,503**	**104,649**	**31,452**	**96,477**	**357,081**
Cost	7,777	3,078	4,310	-	15,165
Accumulated depreciation and impairment	(1,227)	(485)	(680)	-	(2,392)
Carrying value as at 30 June 2016	**6,550**	**2,593**	**3,630**	**-**	**12,773**

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (continued)

(ii)Reconciliation

	Plant and Equipment $	Computers and Cameras $	Office Equipment $	Leasehold Improvements $	Total
Carrying value as at 1 July 2016	6,550	2,593	3,630	-	12,773
Additions	124,606	121,956	29,688	96,477	372,727
Depreciation expense	(6,653)	(19,900)	(1,866)	-	(28,419)
	124,503	**104,649**	**31,452**	**96,477**	**357,081**
Carrying value as at 1 July 2015	-	-	683	-	683
Cost	7,777	3,078	3,627	-	14,482
Depreciation expense	(1,227)	(485)	(680)	-	(2,392)
	6,550	**2,593**	**3,630**	**-**	**12,773**

NOTE 12: INTANGIBLES

(i) Carrying amount

Intangibles consist of patents lodged by the Company	**30 June 2017 $**	**30 June 2016 $**
Cost	**225,545**	63,557
Impairment (for lapsed or forfeited patents)	-	(3,610)
Balance at end of year	**225,545**	59,947

(ii) Reconciliation

Intangibles consist of patents lodged by the Company	**30 June 2017 $**	**30 June 2016 $**
Balance at the beginning of the year	**59,947**	7,220
Capitalised payments for patent related costs	**165,598**	56,337
Less impairment (for lapsed or forfeited patents)	-	(3,610)
Balance at end of year	**225,545**	59,947

Patents that have lapsed or are forfeited and are not rolled into a new patents have been impaired and moved to an expense in the year the patents lapsed/expired.

NOTE 13: FINANCIAL LIABILITIES

	30 June 2017 $	**30 June 2016 $**
Trade and other payables		
Accounts Payable	**206,474**	154,936
Other payables	**426,434**	99,346
Sub Total	***632,908***	*254,282*
Deferred Revenue - Deposits / pre-payments for Small Format Printers	**242,108**	306,743
Share subscriptions received	-	2,109,160
Accrued annual leave	**124,143**	26,579
Total	**999,159**	2,696,764

NOTE 14: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 7 July 2017, 6,300,000 Class A Performance Shares were automatically redeemed and cancelled as the relevant milestone for their conversion was not satisfied by the required dated (i.e. by 30 June 2017). Refer Aurora's announcement to ASX dated 14 July 2017 ('Release of Options from Escrow & other changes to Securities').

On 17 July 2017, the Company changed its registered address and principal place of business to Unit 2/ 79 Bushland Ridge Bibra Lake, Western Australia 6163.

On 25 July 2017, Samantha Tough resigned as Chairperson and David Budge was appointed interim Chairperson.

On 26 July 2017, Mathew Whyte was appointed Non-Executive Director.

Other than the above, there have been no other matters or circumstances which has arisen since 30 June 2017 that has significantly affected or may significantly affect:

a) Aurora Labs operations in future financial years; or
b) The results of those operations in future financial years; or
c) Aurora Labs state of affairs in future financial years.

NOTE 15: DIVIDENDS

The Directors of the Company have not declared any dividend for the year ended 30 June 2017 or the period ended 30 June 2016.

NOTE 16: COMMITMENTS

As at the balance date, the Company has a total of 27 Small Format Printers that were either: pre-sold at discount rates to various non-related parties as part of a crowd-funding initiative called "kickstarter"; or full price pre-sales in financial year ended June 2016. In total a liability of $242,108 is recognised on the statement of financial position which corresponds to funds received from these pre-sales.

The Company has an obligation to either a) deliver a commercial version of the pre-sold Small Format Printer for each pre-sold machine or b) if the Company is unable to deliver commercial Small Format Printers to cover the pre-sold machines then the funds received will have to be returned to the customers. The Company continues to deliver the pre-sale small format machines to fulfil these orders.

Lease Agreement

The Company leased a warehouse and office space at Unit 2, 79 Bushland Ridge Bibra Lake, Western Australia: The rental agreement has an initial 24 -month period that can be extended, there is a payment of $24,096 per month plus standard outgoings.

	2017	2016
	$	$
Lease commitments		
Not longer than 1 year	**289,152**	65,083
Longer than 1 year and shorter than 5 years	**265,056**	-
Total	**554,208**	65,083

NOTE 17: FINANCIAL INSTRUMENTS

a) Overview

The Company's principal financial instruments comprise receivables, payables and cash. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Company manages its exposure to key financial risks in accordance with the Company's risk management policy. Key financial risks are identified and reviewed annually and policies are revised as required. The overall objective of the Company's risk management policy is to recognise and manage risks that affect the Company and to provide a stable financial platform to enable the Company to operate efficiently.

The Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Company's financial risks as summarised below.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	30 June 2017	30 June 2016
	$	$
Cash and cash equivalents	**5,249,614**	2,353,226
Trade and other receivables	**1,433,179**	90,905
Total	**6,682,793**	2,444,131

Trade and other receivables are comprised primarily of advances to suppliers, bank guarantee, prepayments, interest receivable and GST refunds due. Where possible the Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

NOTE 17: FINANCIAL INSTRUMENTS (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2017	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	**632,908**	-	-	-	**632,908**
Deferred revenue	**242,108**		-	-	**242,108**
Accrued annual leave	**124,143**	-	-	-	**124,143**
Total	**999,159**		-	-	**999,159**

2016	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Financial Liabilities					
Trade and other payables	**254,282**	-	-	-	**254,282**
Deferred revenue	**68,777**	**237,966**	-	-	**306,743**
Accrued annual leave	**26,579**	-	-	-	**26,579**
Share Subscriptions received	**2,109,160**	-	-	-	**2,109,160**
Total	**2,458,798**	**237,966**	-	-	**2,696,764**

d) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2017 $	2016 $
Interest-bearing financial instruments		
Cash at bank and on hand	**1,228,655**	2,353,226
Term Deposits	**4,020,959**	-
Total	**5,249,614**	2,262,226

The Company's cash at bank and on hand and short- term deposits had a weighted average floating interest rate at year end of 1.68% (2015: 0.01%).

The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

NOTE 17: FINANCIAL INSTRUMENTS (continued)

Interest rate sensitivity

The Company considers that a 1% movement in interest rates would result in an immaterial impact on equity and the profit and loss.

e) Foreign Exchange Risk

The Company's has an exposure to foreign exchange rates given that the Company purchases parts as part of the manufacture process of the SFP from international suppliers. A fluctuation in foreign exchange rates may affect the cost base of the SFP. The Company is actively marketing the SFP to international customers in USD. If foreign exchange rates change this may make the SFP more or less price competitive with competitor's metal 3D printers. Given the Company is not yet in production it is too early to quantify the financial impact of foreign exchange risk.

f) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 18: CONTINGENT LIABILITIES / ASSETS

The Company had no contingent liabilities or assets as at the reporting date.

NOTE 19: KEY MANAGEMENT PERSONNEL

a) Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Directors ***Position***

KMP	Position
David Budge	Managing Director
Nathan Henry	Executive Director
Mathew Whyte	Company Secretary ; and Non-Executive Director
Samantha Tough	Non- Executive Chairman
Paul Kehoe	Non- Executive Chairman
David Parker	Company Secretary; and Non-Executive Director
Hendrikus Herman	Non-Executive Director

	30 June 2017 $	30 June 2016 $
b) Key Management Personnel Compensation		
Short-term employee benefits	**553,450**	281,341
Post- employment benefits	**43,463**	25,967
Share-based payments	**213,226**	48,550
Total compensation	**810,139**	355,858

NOTE 19: KEY MANAGEMENT PERSONNEL (continued)

	30 June 2017 $	30 June 2016 $
c) Loans provided to Key Management Personnel		
Balance at the beginning of the year	-	31,278
Loans advanced	-	30,577
Loan repayment	-	(61,855)
Balance at the end of the year	-	-

d) Other Transactions
Mathew Whyte provided company secretarial services through a controlled entity Whypro Corporate Services. Payments for company secretarial services during the year totalled: $70,400 (2016: $0)

These items have been recognised as expenses in the Statement of Comprehensive Income.

NOTE 20: SHARE-BASED PAYMENTS

a) Recognised Share-based Payment Expense

From time to time, the Company provides incentive options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised:

	30 June 2017 Number Options Issued	30 June 2017 $	30 June 2016 Number Options Issued	30 June 2016 $
Expense arising from equity-settled share-based payment transactions	**1,411,000**	**1,084,984**	5,750,000	57,500
Net share based payment expense/(income) recognised in the profit or loss	**1,411,000**	**1,084,984**	5,750,000	57,500

NOTE 20: SHARE-BASED PAYMENTS (continued)

b) Remaining Contractual Life

All Incentive Options outstanding at 30 June 2017 are able to be exercised prior to 31 December 2018, so there is 1.5 years remaining contractual life on all options as at the balance date (2016: 2.5 years).

c) Range of Exercise Prices

The exercise price of Incentive Options outstanding at 30 June 2017 are detailed in Note 6.

d) Weighted Average Fair Value

The fair value of all options issued during the year was $0.01 per option.

e) Option Pricing Model

The fair value of the equity-settled Company Options granted is estimated as at the date of grant using an internal valuation methodology taking into account the terms and conditions upon which the options were granted. In conjunction to the internal valuation model, the Board gave consideration to the market price for options being issued at arm's length during and since the end of the reporting date.

The Board determined a price of $0.01 per Option to be offered under the IPO prospectus dated 9 June 2016. This price of $0.01 was considered arm's length. 5,500,000 options were applied for and issued to parties at arms length under the IPO prospectus since the end of the reporting date, at a price of $0.01 each.

The Company applied the value of $0.01 to all other options issued as remuneration, as this value reflects the fair market value of the Options.

NOTE 21: AUDITORS REMUNERATION

	30 June 2017	30 June 2016
	$	$
AUDITORS' REMUNERATION		
Amounts received or due and receivable by HLB Mann Judd for:		
• an audit or review of the financial report of the entity	**24,500**	29,250
• other services in relation to the entity (i.e. Independent Accountants Report for IPO)	**-**	5,000
Total	**24,500**	34,250

DIRECTORS DECLARATION

1. In the opinion of the Directors of Aurora Labs Limited ("Aurora" or the "Company"):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the Board of Directors.

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David Budge
Managing Director
Dated this 24 August 2017

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HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Aurora Labs Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aurora Labs Limited ("the Company") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition - Refer to Notes 1(h), 3 and 13	
A substantial amount of the Company's revenue relates to the sale of small format 3D printers. Revenue was recognised from new sales generated in the current period and deliveries of printers that were pre-sales at a discounted value. Revenue recognition was a key audit matter due to the importance of the matter to users understanding of the financial report.	Our procedures included but were not limited to: - We evaluated management's process and key controls regarding accounting for the Company's sales revenues; - Ensuring that accounting policies comply with Australian Accounting standards; - Performing testing over a sample of revenue to supporting evidence; - Conducting analytical review procedures over revenue; - Considering management's assessment of the status of contacts in accordance with the Company's revenue recognition policy; and - Considering the amounts included within deferred revenue for compliance with accounting policies.
Share Based payments - Refer to Note 20	
During the financial year the Company issued unlisted options to KMP's and employees in addition to performance shares with various milestones that were on issue. We have considered this to be a key audit matter as it was a significant risk under auditing standards where accounting for the transactions requires significant management judgement involving estimates that have a degree of estimation uncertainty in accordance with AASB 2.	Our procedures included but were not limited to: - We evaluated management's process and key controls regarding share based payments; - Ensured that the treatment of the share-based payment arrangements entered into by the Company were consistent with the requirements of AASB 2 Share-based payment; - Testing the inputs used in the calculation of the value of options; and - Reviewing managements judgements on achieving milestones in relation to performance rights on issue to ensure there are no amounts to be recorded
Research and development expenditure - Refer to Notes 1(q) and 3(c)	
During the current year, the Company incurred significant expenditure in relation to medium and large format printers. The Company is in the process of developing its 3D printer designs as it moves toward commercialisation of its various designs. We considered the accounting for this expenditure to be a key audit matter due to the complexity of determining an appropriate accounting policy and the high level of estimation required by management in assessing the stage of the process.	Our procedures included but were not limited to: - We evaluated management's process and key controls regarding research and development expenditure; - We considered management's assessment of whether or not various expenditures met the definition for deferral as development expenditure under AASB 138 Intangible asset; this included assessing: (i) technical feasibility; (ii) the ability of the expenditure to generate probable future revenue; (iii) availability of resources to complete the development; and (iv) the ability to reliably measure the expenditure.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Aurora Labs Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
24 August 2017

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

COMPANY SECURITIES

The following information is based on share registry information processed up to 22 August 2017.

1) Quoted Securities – Fully Paid Ordinary Shares

There is one class of quoted securities, being fully paid ordinary shares.

a) Distribution and spread of Ordinary shares

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	398	236,904
1,001 – 5,000	554	1,586,719
5,001 – 10,000	282	2,268,937
10,001 – 100,000	365	10,950,824
100,001 and over	48	42,856,616
Total	1,647	57,900,000

b) Marketable parcel

There are 227 shareholders with less than a marketable parcel (basis price $0.72).

c) Voting rights

All ordinary shares carry one vote per share without restriction. Options and Performance Shares do not carry any voting rights.

d) Substantial Shareholders

There was one substantial shareholder who has provided a Substantial shareholder notice, being David Budge, holding 23,946,785 fully paid ordinary shares, being 41.36% of the fully paid ordinary shares on issue.

e) On market buy-back

There is no on-market buy-back scheme in operation for the Company's quoted shares.

ASX ADDITIONAL INFORMATION (continued)

f) Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Shareholder Name / Entity	Number of Ordinary Shares	% of Issued Capital
1	David James Budge <Budge Family A/C>	23,946,785	41.36
2	Gasmere Pty Ltd	2,817,888	4.87
3	William McKenzie Crisp <Crispy Chip A/C>	1,436,415	2.53
4	Jessica C E Snelling <Snelling Fam A/C>	1,330,377	2.30
5	Peter Anthony	1,093,750	1.89
6	Citicorp Nom Pty Ltd	1,009,111	1.74
7	John Nathan Henry	832,151	1.44
8	Harry Hatch	688,000	1.19
9	Theodore Lionel Chatz	650,000	1.12
10	Pabasa Pty Ltd <Kehoe Fam Super A/C>	593,750	1.03
11	Kacha Pty Ltd <Kacha Family A/c>	557,151	0.96
12	Anna Felicia Belton	515,000	0.89
13	Peterson MG & Wake SA <Hammer Fund A/C>	501,000	0.87
14	Pabasa Pty Ltd <Kehoe Fam Super Fund A/C>	500,000	0.86
15	David R Parker	460,000	0.79
16	Anna Katherine Campbell	399,113	0.69
17	Basapa Pty Ltd <Kehoe Family A/c>	342,000	0.59
18	ACNS Cap Markets Pty Ltd	266,500	0.46
19	Martin James Daley	266,074	0.45
20	Aileen & Arthur Budge <Budge Wolfe Fam A/c>	266,074	0.46
Total		**38,498,139**	**66.50**

ASX ADDITIONAL INFORMATION (continued)

2) Unquoted Securities – Company Options and Performance Shares

There are two classes of unquoted securities, being Company Options and Performance Shares.

2A) Company Options – Exercisable $0.20/ Expiry 31/12/2018

a) Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	9	40,000
5,001 – 10,000	6	60,000
10,001 – 100,000	24	840,000
100,001 and over	20	10,037500
Total	59	10,977,500

2B) Company Options – Exercisable $2.23/ Expiry 30/11/2019

a) Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	1	10,000
10,001 – 100,000	7	215,000
100,001 and over	2	255,000
Total	10	480.000

2C) Company Options – Exercisable $3.00/ Expiry 31/03/2020

a) Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	1	10,000
10,001 – 100,000	17	631,000
100,001 and over	2	290,000
Total	10	4931,000

2D) Company Options – Exercisable $1.17/ Expiry 30/06/2020

a) Distribution & Spread of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000		-
10,001 – 100,000	1	40,000
100,001 and over	-	-
Total	10	4931,000

3A) Performance Shares (Class B & Class C)

a) Distribution of unquoted Performance Shares (Class B & Class C)

.

Category	Performance Shares Class B		Performance Shares Class C	
(Size of holding)	Shareholders	Shares	Shareholders	Shares
1 – 1,000	-	-	-	-
1,001 – 5,000	2	4,156	2	4,460
5,001 – 10,000	2	16,618	2	17,844
10,001 – 100,000	44	1,229,558	44	1,320,646
100,001 and over	5	5,837,168	5	6,269,550
Total	53	7,087,500	53	7,612,500

There are 53 holders of Performance Shares (Class B & C).

b) Holders of more than 20% of unquoted Performance Shares (Class B & Class C)

- Performance Shares Class B: David Budge owns 4,973,563 Performance Shares Class B which is equal to 70.2% of the Performance Shares Class B on issue.
- Performance Shares Class C: David Budge owns 5,341,975 Performance Shares Class C which is equal to 70.2% of the Performance Shares Class C on issue.

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 financial year ended 30 June 2017 was 21,000,000, comprising:
   a) 6,300,000 Class A Performance Shares;
   b) 7,087,500 Class B Performance Shares; and
   c) 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):

a) for Class A Performance Shares – upon achievement of Aurora (or an entity controlled by Aurora) having cumulative revenue of A$1,500,000 before 30 June 2017;
b) 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
c) 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. None of the Performance Shares in any class were converted or cancelled during the year. However, it is noted that on 7 July 2017, 6,300,000 Class A Performance Shares were automatically redeemed and cancelled as the relevant Milestone for their conversion was not satisfied by the required dated (i.e. by 30 June 2017). Refer Aurora's announcement to ASX dated 14 July 2017 ('Release of Options from Escrow & other changes to Securities').
5. No Milestones were met during the financial year in review.

OTHER ASX INFORMATION

1. Corporate Governance

The Company's Corporate Governance Statement as at 30 June 2017 as approved by the Board can be viewed at www.auroralabs3d.com

2. Company Secretary

The name of the Company Secretary is Mathew Whyte.

3. Address and telephone details of the entity's registered administrative office and principle place of business:

Unit 2/ 79 Bushland Ridge
Bibra Lake WA 6163
Telephone: +61 (08) 9434 1934
Email: enquiries@auroralabs3d.com

4. Address and telephone details of the office at which a registry of securities is kept:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: (08) 9315 2333
Fax: (08) 9315 2233

5. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange under the code (ASX: A3D).

6. Review of Operations

A review of operations is contained in the Directors' Report.

7. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily design, development and manufacture of metal 3D printers and associated products and services.

The Company believes it has used its cash in a materially consistent manner to which was disclosed under the prospectus dated 9 June 2016.

8. Restricted Securities

Class	Number Escrowed	Date Escrow Period Ends
Fully Paid Ordinary Shares (FPOS) comprising:		
32,260,696 FPOS issued on various dates	32,260,696	12/08/2018
Total FPOS escrowed	33,010,696	
Unquoted Options (all options are exercisable at $0.20 on or before 31/12/2018) comprising:		
9,092,500 options issued on various dates	9,092,500	12/08/2018
Total Options escrowed	9,092,500	
Performance Shares (PS) comprising:		
6,554,913 PS Class B issued on various dates	6,554,913	12/08/2018
7,040,464 PS Class C issued on various dates	7,040,464	12/08/2018
Total Performance Shares escrowed	21,000,000	