

Annual General Meeting



27 October 2005

Presentation - Contents

1. Year In Review
 - Highlights
 - Financials
 - Going Forward
2. MCP™ Technology ↔ Nano Transparency
3. Today's Products
4. New Products / New Markets

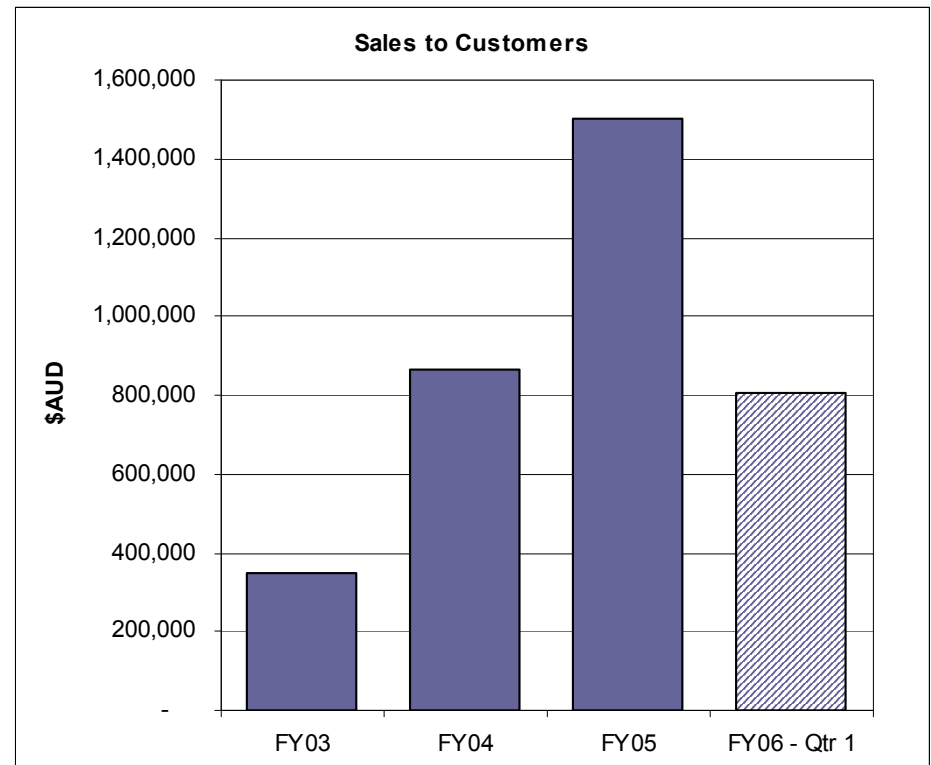
The Year in Review - Highlights

FY2005 - a pivotal year for Advanced Nano

- Transition from private to publicly listed company
- IPO has provided the resources for the Company to pursue its goals
- Company is putting in place organisational and capital infrastructure to position itself for continued future growth
- First products are now proven in the marketplace
- New products coming on line in 2006

The Year in Review - Sales cont.

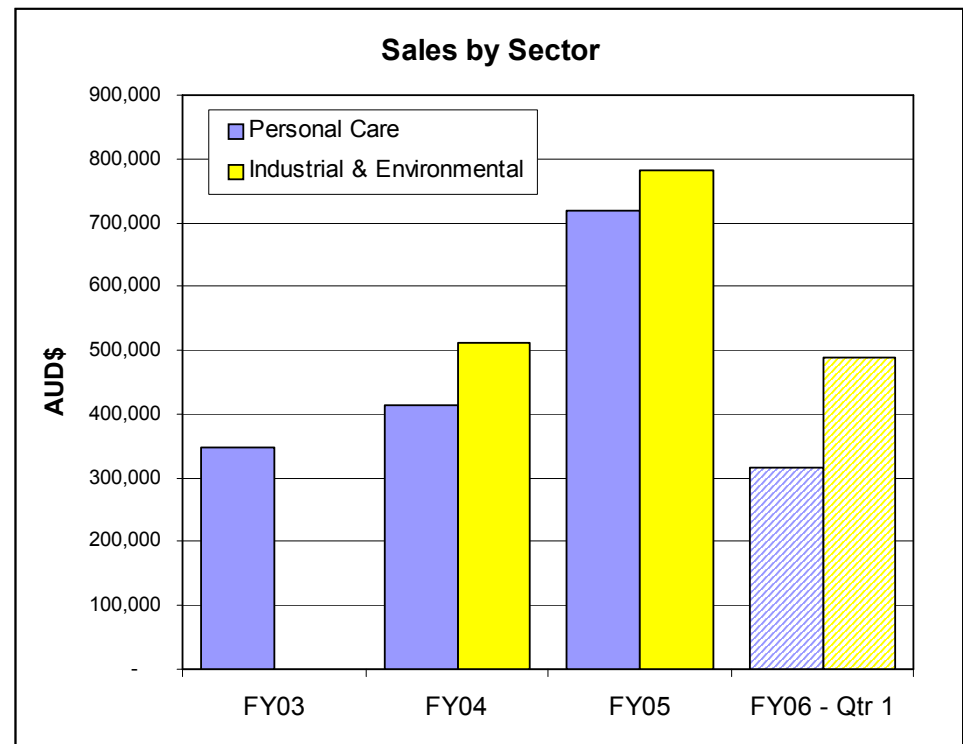
- Strong year on year growth in sales to customers over last 3 years
- FY2005 sales growth achieved across all product lines
- FY2005 sales to customers up 74%
- FY2006 1st quarter customer sales equal 53% of FY2005 total sales



The Year in Review - Sales cont.

ZinClear[®], ZinClear[®]-S, Alusion[®], Cercat[™], NanoZ[®]

- FY2005 revenue for personal care products increased 80% compared to FY2004
 - Increasing overseas sales
 - Strong distributor network established
- FY2005 revenue for Industrial and Environmental products increased 69% over FY2004
 - Increasing sales to Oxonica as pipeline filled



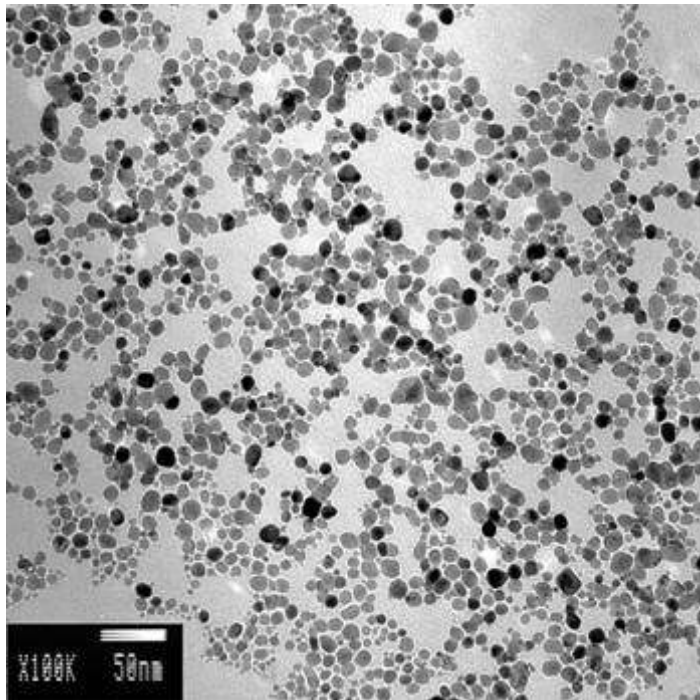
The Year in Review - Financials

- 2005 financial results were in line with the Board's expectations
 - Consolidated loss for 2005 was \$3.5m
 - Ongoing investment in its production and product development
- Key measure of success = growth in revenue stream
 - Increase in number of customers and number of products
- Strong financial position @ 30 June 2005
 - Net assets - \$16.7m
 - Net tangible assets - \$9.8m (predominately cash)
 - Low debt levels - \$0.3m
 - Cash balance @ 30 September 2005 - \$7.3m

Going Forward

- Continued revenue growth in 2006
 - Across all existing product lines
 - Increase in number and value of customers
 - Introduction of new products into industrial markets
- Investment in future revenue streams
 - Plant expansion = new production equipment & infrastructure
 - Increase capacity and reduce outsourcing cost
 - Improve quality and reduce lead-times
 - Reduce maintenance cost and downtime
 - Development of new product lines for sales beyond FY06

MCP™ Technology - Quality Nanopowders Proven Production Capability



50 nm 10 nm Zirconia

Solid State Synthesis Process

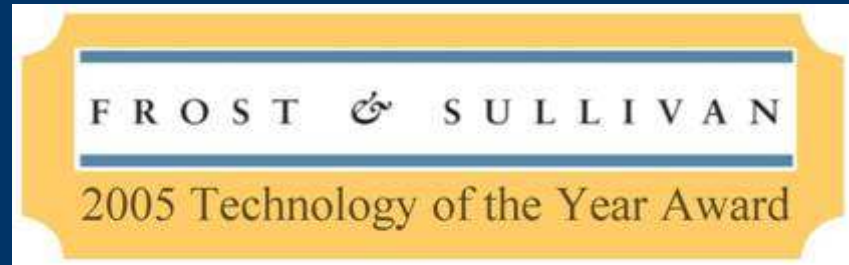
- Mechanochemical synthesis
- Individual particles – not agglomerated
- Controlled particle size
- Narrow size distribution
- High quality dispersions

Proven Production Capability

- Manufacturing since 2002
- ISO 9000:2001 certified



MCPT™ Technology



Frost & Sullivan's 2005 Excellence in Technology Of The Year Award in the field of nanomaterials is presented to Advanced Nano "in recognition of the company's pioneering efforts in the development of the Mechanochemical Processing (MCP) technology that has enabled production of true nano dispersed forms with superior product characteristics."

"Advanced Nano's path breaking efforts towards the development of MCP technology has brought a new paradigm to nanopowder production."

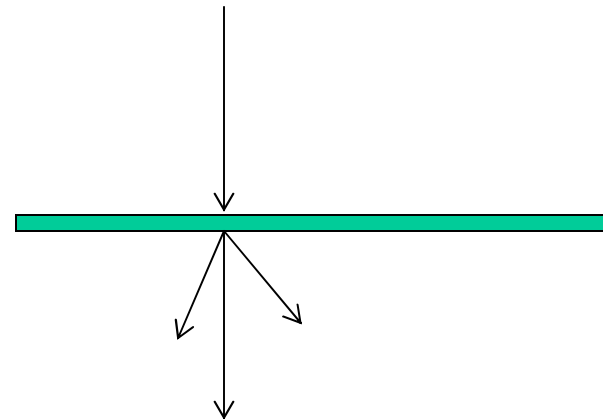
Nano Transparency

The basis of many nanotechnology products being commercialised today

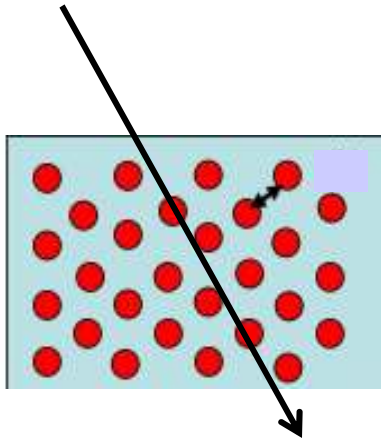
and.....

a focus of Advanced Nanotechnology's first products

Enables the full range of properties available to conventional opaque materials to be utilised in transparent products ranging from sunscreens to photonic devices



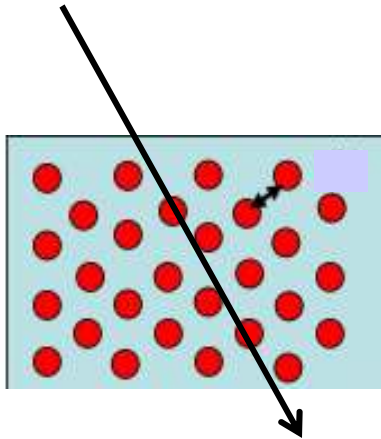
Nano Transparency cont.



Key requirements for nano transparency quality:

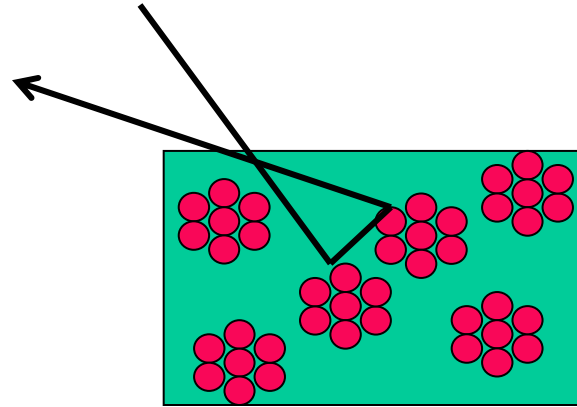
- Nanometre size
- Nanometre spacing
- No agglomeration
- High transparency

Nano Transparency cont.



Key requirements for nano transparency quality:

- Nanometre size
- Nanometre spacing
- No agglomeration
- High transparency



Agglomeration of particles:

- Reduced transparency due to scattering of light

New Products / New Markets

Key focus for Advanced Nano:

Transparent functional coatings and films

- UV blocking plastic films for packaging
- Abrasion resistant transparent coatings
- Tailored refractive index coatings
- Anti-static films and coatings
- Thermal barrier coatings
- Transparent and optically enhanced pigments

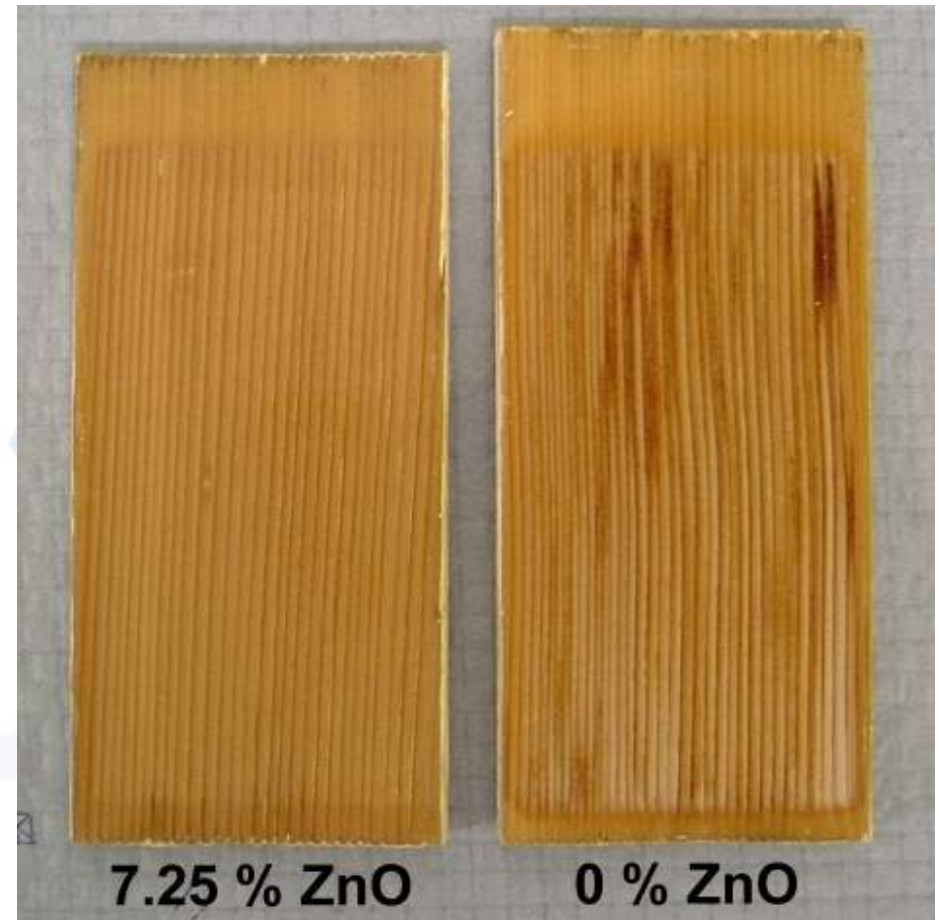
Today's Products



New Products / New Markets

NanoZ[®] - AQ

- Versatile water-based zinc oxide additive for water based transparent clear wood coatings
- Currently undergoing customer testing by 5 companies
- Initial results are positive



After 1700 hrs accelerated UV exposure

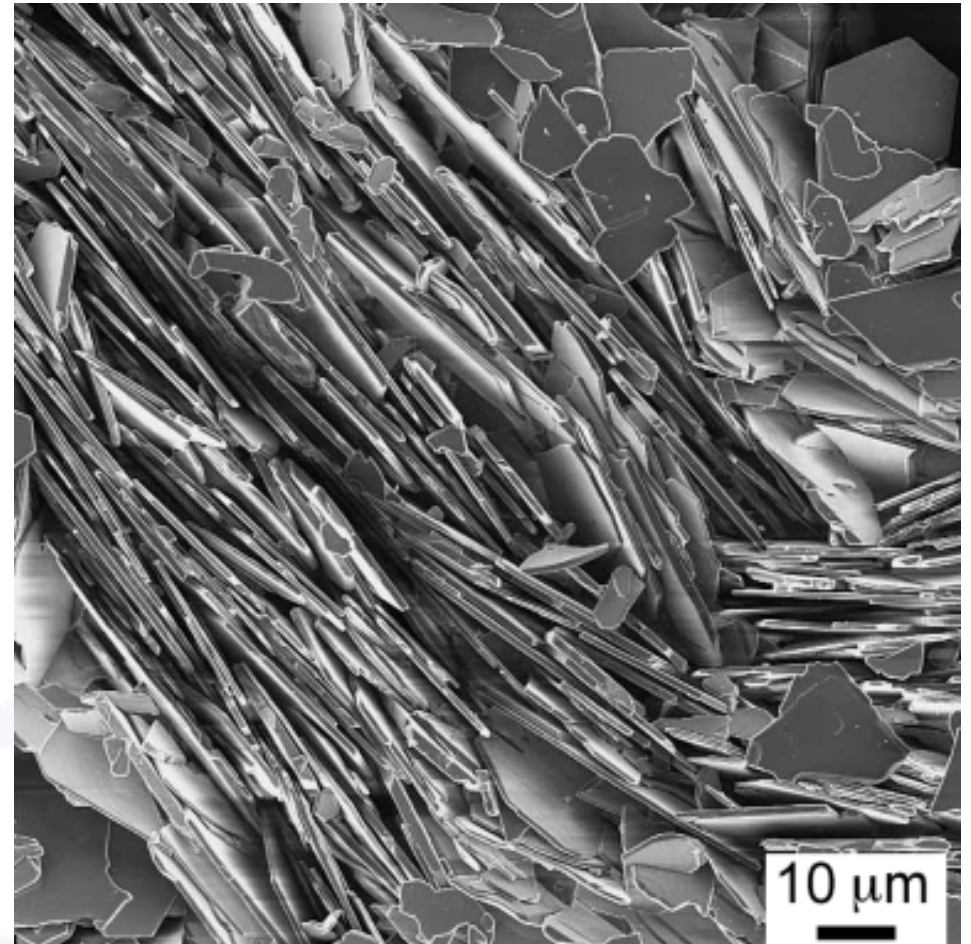
New Products / New Markets cont.

PlatyL™ particles and coatings

- Unique platelet morphology

Potential Applications

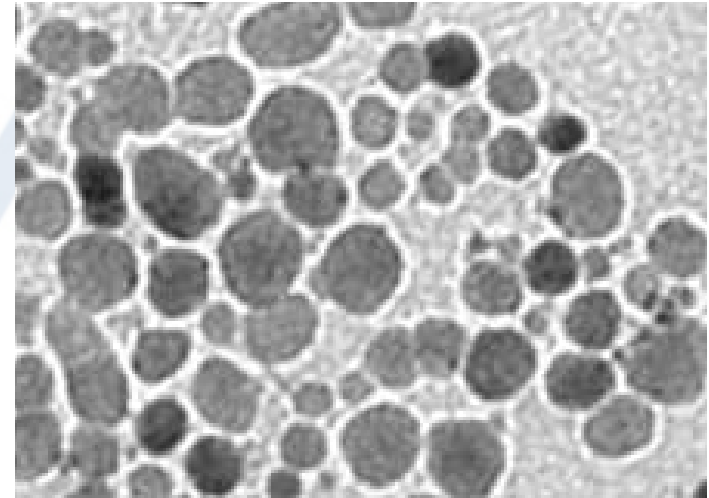
- Pigments for pearlescent & decorative coatings
- Low friction, wear resistant coatings
- Die coats for metal casting and plastic moulding
- Ceramic bonded coatings incorporating platelet alumina particles
- High temperature lubricants
- Precision abrasives



New Products / Future Opportunities

Advanced Ceramics/Nano Zirconia

- Enhanced processing & properties
- Low cost, net shape manufacturing
- Patent application lodged



10 nm MCP™ zirconia nanopowder



Nano Pharmaceuticals

- >40% of drugs have bio-availability problems
- Potential of MCP™ Technology to synthesize nano drugs with enhanced bio-availability currently being investigated

Summary

Advanced Nanotechnology Limited

- World ranking platform technology with broad applications
- Strong revenue growth to date with existing products
- New products being commercialised
- Increasing production capacity to meet growing customer demands
- Putting in place the infrastructure and resources to capitalise on our technology and market position