

KTM Capital Pty Limited
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KTM CAPITAL

Fax

To: _____ **From:** John Young
Company: ASX **Pages:** 4 (including cover sheet)
Fax: 1900 999 279 **Date:** 13 April 2005
Re: Notice

Comments:

Any questions, call John Young
at 02 9235 9937 or 0417 220 655.

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Form 603**Corporations Act 2001****Section 671B****Notice of initial substantial holder**

To: Company name/Scheme Advanced Nanotechnology Limited

ACN/ARSN 079 845 555

1. Details of substantial holder (1)

Name The entities listed in Annexure A (Pacific Development Group)

ACN (if applicable) _____

The holder became a substantial holder on 24 February 2005 and 11 April 2005

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary shares	8,734,419 ordinary shares	8,734,419 ordinary shares	5.206%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Pacific Development Group	See Annexure A	8,734,419 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Pacific Development Group	Pacific Development Group Limited	Pacific Development Group Limited	5,000,118 ordinary shares
	John Young and Corinne Young	John Young and Corinne Young	3,734,301 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Pacific Development Group	21 February 2005	\$0.20		8,254,419 ordinary shares
Pacific Development Group	24 February 2005	Average of \$0.171		300,000 ordinary shares
Pacific Development Group	4 March 2005	Average of \$0.185		Disposal of 50,000 ordinary shares
Pacific Development Group	7 March 2005	Average of \$0.185		Disposal of 57,800 ordinary shares
Pacific Development Group	8 March 2005	Average of \$0.18		Disposal of 50,236 ordinary shares
Pacific Development Group	9 March 2005	Average of \$0.18		Disposal of 11,964 ordinary shares
Pacific Development Group	11 April 2005	Average of \$0.16		350,000 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN (if applicable)	Nature of association
John Young	Director of Pacific Development Capital Limited.

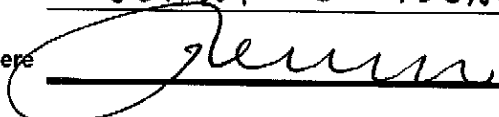
7. Addresses

The addresses of the person named in this form are as follows:

Name	Address
Pacific Development Capital Limited	Level 2, 16-18 O'Connell Street, Sydney NSW 2000
John Young and Corinne Young	8A North Parade, Hunters Hill NSW 2110

Signature

print name JOHN, C. YOUNG capacity Director

sign here  date 13 / 4 / 05

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
 - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
 - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
 - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangements, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
 - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Small Business (less than 20 employees), please provide an estimate of the time taken to complete this form

Include

- The time actually spent reading the instructions, working on the question and obtaining the information
- The time spent by all employees in collecting and providing this information

hrs mins

Annexure 'A'

1. Details of substantial holder

Pacific Development Capital Limited (ACN 088 964 112)

John Young and Corinne Young

3. Details of relevant interests

Pacific Development Capital Limited (ACN 088 964 112) - taken to hold a relevant interest under section 608(1) of the Corporations Act - relevant interest in 5,000,118 ordinary shares.

John Young - taken to have a relevant interest in the voting securities held by John Young and Corinne Young under section 608(1)(b) of the Corporations Act 2001 - relevant interest in 8,734,419 ordinary shares (Pacific Development Capital Limited & John Young & Corinne Young).

This is annexure 'A' of 1 page referred to in Form 603 Notice of Initial Substantial Holder signed by me and dated 13 April 2005.

Name John C. Young Capacity Director

Date 13/4/05