

ATF GROUP (PDF) LIMITED
ABN 80 106 213 772

PROSPECTUS

for

A non-renounceable rights issue of 1 New Share for every 6 Shares held at an issue price of \$0.27 per New Share to raise up to approximately \$3.68 million

AND

A placement of up to 14,900,000 New Shares to investors at an issue price of \$0.27 per New Share to raise up to \$4.02 million.

The Offer and the Placement are not underwritten. Completion of the Offer is subject to raising the minimum subscription amount of \$4.0 million under the Offer and the Company being able to complete the Evivar Acquisition (as detailed in the Prospectus) contemporaneous with the first issue by the Company of New Shares under the Offer.

Investment in ATF Group (PDF) Limited ought to be considered speculative

This is an important document which should be read in its entirety. It contains information which will assist you in making a decision regarding your participation in the Rights Issue and / or Placement

Shareholders should be aware that their Rights may have value and are advised to deal with their Rights rather than allow them to lapse. You may wish to consult your financial or other professional adviser about the contents of this Prospectus.

Shareholders should also be aware that their Rights cannot be traded.

Closing Dates

Rights Issue - 5.00pm Melbourne time on 24 September 2010

Placement - 5.00pm Melbourne time on 29 October 2010.

DIRECTORS

Professor Raymond Schinazi - Chairman
Jon Lamb – Deputy Chairman
Bernard Romanin
J A (Tony) Wigginton

SECRETARY

J A (Tony) Wigginton

REGISTERED OFFICE

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East Melbourne Vic 3002
Telephone: (03) 9662 4049
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SHARE REGISTRY

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AUDITOR

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Melbourne Vic 3000

LAWYERS TO THE COMPANY

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Melbourne, Victoria 3000

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IMPORTANT NOTICE TO SHAREHOLDERS

Your Rights to New Shares under the Rights Issue may be valuable. Your Rights are non-renounceable, which means that your Rights are personal to you and are not tradeable. If you wish to acquire more Shares, it is important that you accept all or part of your Entitlement as described in section 2 prior to the Closing Date for the Rights Issue. Shareholders who do not wish to acquire more Shares and do not accept the Offer for any part of their Entitlement, or who take no action in respect of their Entitlement, will receive no benefit and their Rights will lapse.

The information contained in this Prospectus is important and Shareholders should read and understand the whole of the Prospectus before deciding to participate in the Rights Issue. The Prospectus does not take into account the investment objectives, financial situation or particular needs of any Shareholder or any other person. Therefore, Shareholders and investors should not rely on the Prospectus as the sole basis for making an investment decision regarding the Offer (Rights Issue or the Placement). Shareholders should seek independent taxation and financial advice before making such a decision.

Investing in the New Shares involves risks. In particular, it is important that you consider the risk factors (refer section 4) that could affect the Company before deciding what course you should follow.

The issue of New Shares pursuant to the Offer is conditional on the Company being able to raise the minimum subscription under the Offer and the Company being able to complete the Evivar Acquisition contemporaneously with the first issue of New Shares under the Offer. If, for any reason, the minimum subscription under the Offer is not achieved or it is not possible for the Company to complete the Evivar Acquisition (as detailed in the Prospectus) contemporaneously with the initial issue of New Shares pursuant to the Offer, the Offer will be discontinued and no New Shares will be issued under the Offer.

IMPORTANT INFORMATION

This replacement Prospectus is dated 11 August 2010 and was lodged with ASIC on 11 August 2010. This replacement Prospectus replaces the Prospectus lodged with ASIC on 28 July 2010 (**Original Prospectus**). References in this document to 'Prospectus' are references to this replacement Prospectus.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

ASIC takes no responsibility for the contents of this Prospectus, and makes no statement regarding the merits of the investment to which this Prospectus relates.

ATF is not admitted to the Official List of ASX and its Shares are neither quoted nor traded on ASX. Further, ATF has no present intention of seeking admission to the Official List of ASX or a listing of its Shares on any other recognised stock market in the immediate future.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the New Shares or otherwise permit a public offering of the New Shares outside Australia and New Zealand. This Prospectus is not to be distributed, and no offer of New Shares is to be made, to a person resident in the United States of America (USA) or in any other country (except Australia and New Zealand).

The New Shares have not been, nor will they be, registered under the *Securities Act 1933* (US) (as amended) or the securities law of any state or other jurisdiction of USA and may not be offered or sold in USA or to, or for the account or benefit of, US persons absent registration or in a transaction exempt from or not subject to the registration requirements of USA.

No person is authorised to give any information or to make any representation in connection with ATF and the Offer (Rights Issue and the Placement) that is not contained in the Prospectus. Any information or representation that is not contained in the Prospectus may not be relied on as authorised by ATF in connection with either itself or the Offer. Except as required by law and only to the extent required by such law, neither ATF nor any other person warrants the future performance of ATF or the return on a investment made under the Prospectus.

Some capitalised words or terms used in this Prospectus have defined meanings – refer to section 6 of the Prospectus. All references to \$, A\$ or cents in this Prospectus are references to Australian currency, unless otherwise stated. All references to time in this Prospectus are to the time in Melbourne, Victoria.

Exposure Period

The Prospectus (not including the Acceptance Forms) will be made generally available during the Exposure Period by being posted on the Company's website – www.atfgroup.com.au. The Company will not accept or process Acceptance Forms for the New Shares offered under the Prospectus during the Exposure Period (being the period of 14 days (ending on 11 August 2010) after the date of lodgement of the Original Prospectus). No preference will be conferred on Application Forms received in the Exposure Period.

The purpose of the Exposure Period is to enable examination of the Prospectus by Shareholders, regulatory authorities, investors and market participants prior to the raising of funds.

Prospectus availability

Copies of this Prospectus (with a personalised Rights Issue Acceptance Form) will be sent to all Shareholders with registered addresses in Australia and New Zealand. After the Exposure Period, Shareholders will be able to apply for Shares under the Rights Issue by completing the Rights Issue Acceptance Form and investors will be able to apply for Shares in the Placement by completing and returning the Placement Acceptance Form attached to the Prospectus.

Shareholders and investors can also obtain a copy of this Prospectus during the period of the Offer (Rights Issue and Placement) by telephoning the Company (+61 3 9662 4049).

Shareholders will only be entitled to participate in the Rights Issue by correctly completing the personalised Rights Issue Acceptance Form which accompanies this Prospectus. Investors seeking to participate in the Placement may only do so by correctly completing the Placement Acceptance Form which is attached to this Prospectus.

A copy of this Prospectus will also be available for Shareholders and investors to read on the following website - www.atfgroup.com.au. The website will not include the Acceptance Forms and neither Shareholders nor investors will be able to apply for New Shares by accessing the electronic version of this Prospectus. Persons who access the electronic form of this Prospectus should ensure they download and read the entire Prospectus.

The Corporations Act prohibits any person from passing an Acceptance Form on to another person unless it is either attached to a hard copy of this Prospectus or the complete and unaltered electronic copy of this Prospectus (whether printed or remaining in an electronic medium).

Prospectus content

Other than this Prospectus, no information or document on the Company's website is incorporated by reference into this Prospectus and any information or document other than this Prospectus should not be relied on by potential investors.

Forward looking statements, opinions and estimates provided in this letter are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends and competitive products. Forward looking statements, including projections, guidance on future financial matters and future trends are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

How to Apply

An application for New Shares under the Rights Issue can only be made by completing and lodging the Rights Issue Acceptance Form, or by making a BPAY® payment in accordance with the instructions on the Rights Issue Acceptance Form.

An application for New Shares under the Placement can only be made by completing and lodging the Placement Acceptance Form accompanying this Prospectus. Please note that the option of making a BPAY® payment is not available for applications for New Shares made under the Placement.

Detailed instructions on completing the respective Acceptance Forms can be found on the back of the Acceptance Forms. The acceptance of an Acceptance Form and the allocation of New Shares are at the discretion of the Company.

By lodging an Acceptance Form, you declare that you were given access to the entire Prospectus, together with the relevant Acceptance Forms. The Company will not accept a completed Acceptance Form if it has reason to believe that the Acceptance Form lodged by the Shareholder or investor was not accompanied by, or attached to, the Prospectus or if it has reason to believe that the Acceptance Form has been altered or tampered with in any way.

When to Apply

Completed Rights Issue Acceptance Forms must be received by the Share Registry prior to 5.00pm Melbourne time on 24 September 2010. For the Placement, completed Placement Acceptance Forms must be received by the Company prior to 5.00pm Melbourne time on 29 October 2010. If permitted under, and in accordance with, the Corporations Act, the Directors may close either, or both, the Rights Issue and / or the Placement Offer, at any earlier time or extend either, or both, of those offer without prior notice.

Questions

If you have any queries relating to the Offer or the procedures for participating in the Offer (Rights Issue or the Placement), including how to complete the relevant Acceptance Form or make a BPAY® payment, please contact the Company on (+61 3) 9662 4049 or the Share Registry on 1300 091 139.

Other questions can be directed to your stockbroker, lawyer, accountant or other financial adviser.

KEY DATES

Event	Date
Lodgement of Original Prospectus with ASIC	28 July 2010
Lodgement of replacement Prospectus (Prospectus) with ASIC	11 August 2010
End of Exposure Period	11 August 2010
Record Date - Entitlements to New Shares (Rights Issue only)	12 August 2010
Opening Date – Offer (Rights Issue & Placement)	18 August 2010
Despatch of Prospectus to Shareholders	18 August 2010
Last date for return of Rights Issue Acceptance Forms and payment – Rights Issue (Closing Date – Rights Issue)	24 September 2010
Completion of the Evivar Acquisition	30 September 2010
Issue of the New Shares (to Shareholders under the Rights Issue)	30 September 2010
Last date for return of Placement Acceptance Forms – (Closing Date – Placement)	29 October 2010

The above dates are indicative only. Subject to compliance with the requirements of the Corporations Act, ATF reserves the right to vary the timetable for each of the Rights Issue and Placement, including by altering the Closing Date of the respective offers. It also reserves the right to withdraw either or both offers, and not proceed with the Rights Issue and / or the Placement without prior notice.

Applicants for New Shares under the Rights Issue or the Placement are encouraged to return their completed Acceptance Forms to the Company as soon as possible after the Offer formally opens. New Shares will be issued as soon as practicable after the minimum subscription under the Offer is achieved.

The issue of New Shares pursuant to the Offer is conditional on the Company being able to raise the minimum subscription under the Offer and the Company being able to complete the Evivar Acquisition contemporaneously with the first issue of New Shares under the Offer. If, for any reason, the minimum subscription under the Offer is not achieved or it is not possible for the Company to complete the Evivar Acquisition (as detailed in the Prospectus) contemporaneously with the initial issue of New Shares under the Offer, the Offer will be discontinued and no New Shares will be issued under the Offer..

Shareholders should note that ATF is not admitted to the Official List of ASX and, therefore, its Shares are neither quoted nor traded on ASX. Further, ATF has no present intention of seeking admission to the Official List of ASX or a listing of its Shares on any other recognised stock market in the immediate future. Accordingly, there is no ready market for the trading of the Shares (including the New Shares offered under the Rights Issue and the Placement detailed in this Prospectus) and, therefore, Shareholders and investors must regard their investment in the Company as illiquid.

MESSAGE FROM THE COMPANY

26 July 2010

Dear Shareholder

On behalf of the Board of ATF Group (PDF) Limited (**ATF** or **Company**), I have great pleasure in presenting this Prospectus and offering you the opportunity to invest in ATF.

This Prospectus explains the reasons for, and effect on, ATF of the non-renounceable rights issue of 1 New Share for every 6 Shares to raise up to approximately \$3.68 million (**Rights Issue**). In addition to the Rights Issue, ATF is seeking to raise up to \$4.02 million through the issue of up to 14.9 million New Shares (**Placement**). The New Shares offered under the Rights Issue and Placement (collectively, the **Offer**) will be issued at \$0.27 per New Share.

Please read this Prospectus carefully to fully understand the impact of the Offer on ATF and the conditions that must be satisfied before any New Shares are issued under the Offer.

The focus of ATF continues to be commercialisation of the SeqHepB system used by Evivar Medical Pty Ltd (**Evivar**). Solid progress continues to be made towards that objective, with licence agreements concluded with Quest and LabCorp, the two largest US clinical laboratories, and Abbott Molecular, a global diagnostics company.

In addition, ATF has entered into a strategic partnering agreement with Advanced Biological Laboratories (ABL), which includes a cross-licensing agreement between the two companies. The agreement focuses on initiatives that will assist Evivar to build its diagnostic business in Hepatitis B and enable ATF to build a diagnostics and therapy management business in other blood borne diseases, for example, Hepatitis C.

ATF has also reached an 'in principle' agreement with Melbourne Health (and its collaborating partners) which, if completed in accordance with the presently agreed terms, will result in ATF:

- securing 100% ownership of Evivar; and
- acquiring ownership, using Evivar and another of its wholly owned subsidiaries, Global Therapy Management Limited, of the SeqHepB software and the other intellectual property of Melbourne Health (and its collaborating parties) used by Evivar in its business and which ATF believes will enable it to pursue the strategic development of not only the Hepatitis B diagnostic business of Evivar but also its broader therapy management business in other blood borne diseases.

The Evivar Acquisition, if successfully completed, will enable ATF to control its future course. It will mean that the future commercialisation of the SeqHepB system by Evivar will no longer be dependent on other parties or the maintenance of the current licensing agreement with Melbourne Health. Details of the 'in principle' agreement reached with Melbourne Health (and its collaborating partners) for the Evivar Acquisition are set out in section 3.3 of this Prospectus.

ATF is undertaking the Offer to facilitate completion of the Evivar Acquisition and provide the further funding needed by ATF to continue the commercialisation of the SeqHepB system and the other intellectual property to be acquired from Melbourne Health. Details of the Offer are set out in the Prospectus.

Your Board believes ATF has an exciting future and the Offer presents an attractive opportunity for ATF to develop an Australian therapy management company.

Yours faithfully

Professor Raymond Schinazi
Chairman

Jon Lamb
Deputy Chairman

SECTION 1. DETAILS OF THE OFFER

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer (Rights Issue & Placement)

General

ATF is making a non-renounceable rights issue offering its Shareholders the right to subscribe for 1 New Share for every 6 Shares held as at the Record Date at an issue price of \$0.27 per New Share. In addition, it is seeking to raise, by way of the Placement, up to \$4.023 million through the issue of up to a further 14.9 million New Shares to new investors at an issue price of \$0.27 per New Share.

The Closing Date and time for acceptances and payment under the Rights Issue is 5.00pm Melbourne time on 24 September 2010. For the Placement, the Closing Date is 5.00pm Melbourne time on 29 October 2010. As noted below, the Closing Dates may change (without notice) and, if the minimum subscription under the Offer has not been achieved by the Closing Date for the Rights Issue, it is likely that Closing Date will be extended until such time as the minimum subscription is received.

The subscription price of \$0.27 for each New Share (Rights Issue and Placement) is payable in full on application.

Participating Shareholders (under the Rights Issue) may also apply for New Shares in excess of their Entitlement (Additional New Shares) (refer later in this section).

If the Company is not able to raise the minimum subscription under the Offer (see below) or the Evivar Acquisition cannot be completed (on terms the same as, or substantially similar to the terms of the Evivar Acquisition detailed in section 3.3) contemporaneously with the first issue of New Shares pursuant to the Offer, the Offer (Rights Issue and Placement) will not proceed and all moneys subscribed for New Shares will be returned (without interest).

What you need to do – Rights Issue

If you are a Participating Shareholder (under the Rights Issue), the number of New Shares to which you are entitled is shown on the personalised Rights Issue Acceptance Form accompanying the Prospectus. Fractional entitlements have been ignored. As the New Shares are offered on a non-renounceable basis, you may do one of the following:

- take up your Entitlement in full (or subscribe for more than your Entitlement);
- accept part of your Entitlement and allow the balance to lapse; or
- allow your full Entitlement to lapse.

It is important that you are aware that your Rights are non-renounceable, which means that your Rights are personal to you and, if you do not wish to acquire more Shares, your Rights will lapse i.e. your Rights are not tradeable and have no value unless you accept the Offer for part or all of your Entitlement.

Section 2 sets out detailed instructions on what you need to do under each alternative.

What you need to do – Placement

If you are an investor seeking to participate in the Placement, you will need to complete the Placement Acceptance Form. Section 2 sets out what you will need to do.

Ranking of New Shares

On issue, the New Shares issued under the Offer will rank equally with all existing Shares on issue.

Details of the rights attaching to the New Shares are set out in section 5.3 of the Prospectus.

No Underwriting

The Offer (Rights Issue and the Placement) is not underwritten.

Purpose of the Offer and Use of Proceeds

The Offer (Rights Issue and Placement), if fully subscribed, is expected to result in the issue of up to 28.5 million New Shares and to raise Gross Proceeds of up to approximately \$7.7 million.

The funds to be raised by the Offer (after payment of costs), together with the currently available cash resources of the Company, will be used by the Company for the purposes set out in sections 3.5 and 3.6 of the Prospectus. If the Company is successful in raising only the minimum subscription amount of \$4.0 million, only certain of the proposed uses of the funds raised by this Offer will be possible.

The purposes of the Offer (Rights Issue and Placement) and effect of the Offer (Rights Issue and Placement) on the Company are discussed further in section 3.

Minimum Subscription

The minimum subscription under the Offer (Rights Issue and Placement) is \$4.0 million.

It is a condition of the Offer (Rights Issue and Placement) and the Offer will not proceed and no New Shares will be issued (and all application money received will be returned to the Participating Shareholders and/or investors) if the minimum subscription has not been received under the Offer within four months of the date of issue of this Prospectus. In practical effect, if the minimum subscription under the Offer has not been achieved by the Closing Date for the Rights Issue, it is likely that Closing Date will be extended until such time as the minimum subscription is received.

If the Offer (Rights Issue and Placement) does not proceed, all application moneys will be refunded in full and without interest.

ASX Quotation

ATF has no present intention of seeking admission to the Official List of ASX or quotation of its Shares on ASX or any other recognised stock exchange. Therefore, neither the New Shares (offered under this Prospectus) nor the existing Shares will be able to be traded on ASX and your investment in the Company must be regarded as illiquid.

Taxation

Investors should be aware that there may be taxation implications of participating in the Offer (Rights Issue and Placement) and receiving New Shares. The taxation consequences of participating in the Offer (Rights Issue and Placement) and/or acquiring New Shares may vary depending on the individual circumstances of the Shareholder or investor. Investors should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the acquisition of New Shares under the Placement.

Brokerage, stamp duty and commissions

No brokerage or stamp duty is payable by investors on the issue of the New Shares.

Risk factors

ATF is a company that invests in companies that are developing or commercialising new technologies and products. Therefore, in addition to the general risks associated with an investment in the shares of a company, there are also a number of material risk factors specific to ATF which may affect the future operating and financial performance of ATF and, therefore, the fair market value of the Shares. The specific risks include:

- the inherent uncertainty of ATF's development and commercialisation programmes for Evivar;
- competing and new technologies that may provide more cost effective and efficacious solutions;
- the ability of ATF (and Evivar) to enforce its intellectual property rights; and
- the dependence of ATF's investee companies, Evivar and GTM, on certain key personnel.

The key risks faced by the Company are summarised in section 4 of the Prospectus. All Shareholders and investors ought to read that section and consider very carefully the risk factors associated with an investment in the Company before deciding to invest in the Company.

Further, all Shareholders and investors, before investing in ATF, should consider the risks inherent in investment in a company with a limited history (such as ATF) and where the primary business involves greater risk than investment in existing / operating businesses with a track record. Therefore, investment in ATF must be considered speculative.

Before deciding to accept the Offer for New Shares, Shareholders should take account of the fact that there is no market for the trading of Shares.

If you are in any doubt about whether to participate in the Rights Issue or otherwise participate in the Placement, please contact your stockbroker or other professional and/or financial adviser.

1.2 The Rights Issue

The number of New Shares to which a Participating Shareholder will be entitled in the Rights Issue will be shown on the personalised Rights Issue Acceptance Form accompanying the copy of the Prospectus sent to each Shareholder. Fractional entitlements have been ignored.

If you subscribe for your full Entitlement under the Rights Issue, you may also apply for additional New Shares (in excess of the number specified on your Rights Issue Acceptance Form) - refer later in this section of the Prospectus for details.

The Closing Date and time for acceptances and payments under the Rights Issue is 5.00pm Melbourne time on **24 September 2010**. The Rights Issue Acceptance Form and payment must be received by the Share Registry before this time. Shareholders should note that the Company may continue the Placement after the Rights Issue is closed.

Who is entitled to participate in the Rights Issue

Every Shareholder registered as the holder of fully paid ordinary shares (**Shares**) in the Company at 7.00pm Melbourne time on the Record Date (**12 August 2010**) and whose registered address is in Australia or New Zealand is entitled to participate in the Offer.

For Shareholders who reside in countries where it is unreasonable to expect that the Company would meet the requirements of the laws of those countries in order to extend the Rights Issue to them, their Entitlements will lapse automatically. Please refer below for more information.

Issue Price / Market price of Shares

The Offer Price is \$0.27 per New Share.

Before deciding to accept for part or all of their Entitlement under the Rights Issue, Shareholders must note that, as the Shares are not listed for quotation on ASX or any other stock exchange, there is no ready

or liquid market for the trading of the Shares or for determining their fair market value. Accordingly, there is no available information that the Company can provide as a guide as to the fair market value of the Shares (or, after the conclusion of the Offer, the likely price at which the New Shares may change hands (assuming there is a willing buyer and a willing seller and a market for those New Shares)).

Trading of Rights

The Rights are non-renounceable and cannot be sold or otherwise transferred.

Each Right may be dealt with separately. Accordingly, Participating Shareholders may elect to take up some or all of their Rights. Each Right not taken up will lapse (no benefit will accrue to the relevant Shareholder if a Right lapses).

Directors – Exercise of Rights

Details of the Shareholdings (direct and indirect) of each Director are set out in section 5.7 of the Prospectus. Professor Schinazi and Mr Wigginton are the only Directors who hold Shares. Mr Wigginton intends to accept the Offer for his Entitlement.

In the case of Professor Schinazi, as he is a US citizen with a US address, he will not be able to participate in the Rights Issue as the Company does not intend to make the Offer (Rights Issue) in jurisdictions other than Australia and New Zealand.

Issue of New Shares

If the Rights Issue proceeds as contemplated, and the minimum subscription is achieved, the New Shares are expected to be issued on or about 30 September 2010. However, if the Closing Date is extended, the date for issue of the New Shares will also be extended.

As ATF is not listed on the ASX, it operates a certificated register. It is expected that share certificates will be despatched on or soon after the date of issue of the new shares. Again any extension of the Closing Date will similarly result in the extension of the date for the despatch of the share certificates in respect of any of the New Shares issued under this Prospectus.

Subscription monies for the New Shares will be held in a subscription account until:

- the minimum subscription of \$4.0 million under the Offer (Rights Issue and Placement) is achieved;
- the conditions precedent to the Evivar Acquisition are satisfied and the transactions contemplated by the Evivar Acquisition are able to be completed contemporaneously with the first issue of New Shares under the Offer (Rights Issue and Placement); and
- the relevant New Shares are issued.

This account will be established and kept by ATF (or its Share Registry) on behalf of each subscriber for New Shares.

Interest earned on the application monies will be for the benefit of ATF and will be retained by ATF irrespective of whether New Shares are issued.

Participating and Non-participating Shareholders

This Offer is made to all Shareholders (**Participating Shareholders**) who, at close of business on the Record Date, have:

- a registered address in Australia; or
- a registered address in New Zealand pursuant to the *Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand)*.

Beyond making the Offer to Australian and New Zealand Shareholders, the Company has decided that it is unreasonable for the Company to make the Offer to Shareholders who, at close of business on the Record Date (12 August 2010), have registered addresses in other jurisdictions (those Shareholders being referred to as **Non-participating Shareholders**). This decision has been made by the Company having regard to the number of Shareholders in each other jurisdiction, the number and value of the Shares held by those Shareholders and the costs of complying with the legal and regulatory requirements in those jurisdictions. While a copy of the Prospectus will be sent to each Non-participating Shareholder for information purposes only, Rights Issue Acceptance Forms will not be sent to those Shareholders.

For nominee holders, ATF is not required to determine whether or not a registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether an indirect participation by the beneficiary in the Rights Issue is permissible under the applicable foreign laws.

Shortfall / Additional Shares

A total of approximately 13.62 million New Shares are offered under the Rights Issue. The number of New Shares offered reflects the number of New Shares that would be issued if all Shareholders accepted for all of their Entitlements.

If there is a Shortfall (i.e. all Shareholders do not accept for all of their Entitlements), the Company reserves the right to issue the New Shares constituting the Shortfall as part of the Placement. In particular, this will occur to ensure, to the maximum extent possible, that the total proceeds from the Offer (Rights Issue and Placement) exceed the minimum subscription amount of \$4.0 million (refer section 1.1). Shareholders who accept their full Entitlements will also be permitted to subscribe for additional New Shares (to take up part of the Shortfall or as part of the Placement).

The Company reserves the right to place New Shares constituting the Shortfall and the Placement at its absolute discretion. Priority will be given to investors who are not presently Shareholders (and who, because the Rights Issue is non-renounceable, are not able to participate in the Rights Issue).

1.3 The Placement

A total of up to 14.9 million New Shares are offered under the Prospectus as part of the Placement.

The Closing Date and time for acceptances and payment under the Placement is 5.00pm Melbourne time on **29 October 2010**. This Closing Date may be changed (to close the Placement earlier or later) at the discretion of the Company.

The subscription price under the Placement is \$0.27 per New Share and is payable in full on application.

The issue of New Shares pursuant to the Offer is conditional on the Company being able to raise the minimum subscription under the Offer and the Company being able to complete the Evivar Acquisition contemporaneously with the first issue of New Shares under the Offer. If the Company is not able to raise the minimum subscription under the Offer or the Evivar Acquisition cannot be completed (on terms the same as, or substantially similar to the terms of the Evivar Acquisition detailed in section 3.3) contemporaneously with the initial issue of New Shares pursuant to the Offer, the Placement will not proceed and all moneys subscribed for New Shares under the Placement will be returned (without interest).

Participating Shareholders

Participating Shareholders who apply to take up their Entitlements in full may also apply for additional New Shares (if there is a shortfall from the Rights Issue) or as part of the Placement. The availability of additional New Shares will depend on the level of acceptances under the Rights Issue and the Placement and, therefore, Participating Shareholders cannot be assured of receiving any additional New Shares.

For Participating Shareholders, to apply for additional New Shares, you will need to complete the relevant section of the Rights Issue Acceptance Form and send the completed form together with a cheque or bank draft in payment for all the New Shares that you have applied for (i.e. your Entitlement and Additional New Shares), to reach the Share Registry, no later than the Closing Date.

Investors

There is no limit to the number of additional New Shares that investors can apply for. If applications for New Shares exceed the number of New Shares available in the Placement, the number of New Shares available to each applicant will be scaled back at the Company's discretion. In the event of such a scale back, it is intended to have regard to what is reasonable in the circumstances and to give priority to the smaller investors.

The Company reserves the right to reject any Placement Acceptance Form or allocate to any applicant fewer New Shares than the number for which the applicant has applied, as the Company sees fit. The Company retains absolute discretion as to scaling back applications in the event of oversubscriptions. If a Placement Acceptance Form is wholly rejected, or accepted in part only, the relevant portion of the application monies will be refunded to the applicant (without interest).

Additional New Shares will not be available for subscription or be issued to any investor (or Participating Shareholder) where to do so would or may result in a breach by the Company (or any other person) of the Corporations Act or any other applicable laws.

Investors may apply for New Shares under the Placement by completing the accompanying Placement Acceptance Form according to the instructions on the Form and sending the completed Form and all other necessary documents, together with a cheque or bank draft in payment for all the New Shares applied for to reach the Share Registry by no later than 5.00pm Melbourne time on Closing Date for the Placement (**29 October 2010**). A reply paid envelope is enclosed with the Prospectus for this purpose.

SECTION 2. WHAT YOU NEED TO DO

RIGHTS ISSUE

If you have any questions about your Entitlement to New Shares, please contact:

- Computershare Investor Services Pty Limited on **1300 091 139 (for callers within Australia) or (+61 3) 9415 4832 (for callers outside Australia);**
- the Company on **(+61 3) 9662 4049;** or
- your stockbroker or professional and financial adviser.

The information below applies to all Participating Shareholders (under the Rights Issue). To determine if you are a Non-participating Shareholder please read section 1.2 of the Prospectus.

You have 3 options regarding your Entitlement to New Shares. These are summarised further in sections 2.1 to 2.3 below.

2.1 Acceptance for all of your Entitlement (and to subscribe for more than your Entitlement)

Complete the accompanying Rights Issue Acceptance Form according to the instructions on the Form. The number of New Shares to which you are entitled is shown on the Form. If you wish to subscribe for Additional New Shares, please complete that section of the Rights Issue Acceptance Form.

Send the completed Form and all other necessary documents, together with a cheque or bank draft in payment for all the New Shares applied for to reach the Share Registry by no later than 5.00pm Melbourne time on the Closing Date for the Rights Issue (**24 September 2010**). A reply paid envelope is enclosed with the Prospectus for this purpose. Alternatively, you may pay for all the New Shares applied for by BPAY®, in which case you do not need to complete or return the Rights Issue Acceptance Form. Please refer to section 2.5 for further details.

Your completed Rights Issue Acceptance Form, once sent to the Share Registry, cannot be withdrawn.

2.2 Acceptance for part only of your Entitlement and allow the balance to lapse

Complete the accompanying Rights Issue Acceptance Form for the part of your Entitlement that you wish to accept.

Send the completed Form and all other necessary documents, together with a cheque or bank draft for the amount due in respect of the New Shares you intend to accept, to the Share Registry by no later than 5.00pm Melbourne time on the Closing Date for the Rights Issue (**24 September 2010**). A reply paid envelope is enclosed with this Prospectus for this purpose.

The balance of your Entitlement will lapse automatically as set out in section 2.3 below.

Your completed Rights Issue Acceptance Form, once sent to the Share Registry, cannot be withdrawn. Please note that if you elect to participate in the Rights Issue for part only of your Entitlement, you will not be permitted to subscribe for any Additional New Shares.

2.3 Lapse of Rights

If you decide not to accept all or any part of your Entitlement, **you do not need to deal with your Rights in any way as they will lapse automatically.** As noted in the Prospectus, it is the Company's intention

to place the New Shares that are not subscribed for by Participating Shareholders under the Rights Issue to investors as part of the placement of the Shortfall or to allocate (and issue) them to Participating Shareholders as Additional New Shares.

If you allow your Entitlement to lapse, you will not receive any payment, value or other benefit for those lapsed Entitlements.

2.4 Multiple holdings

If you have multiple holdings, subject to you being a Participating Shareholder, you will receive multiple copies of the Prospectus with accompanying personalised Rights Issue Acceptance Forms. You must deal with each Rights Issue Acceptance Form separately, in accordance with the instructions.

2.5 Payment

Acceptances of New Shares (whether as part or all of your Entitlement or Additional New Shares) must be accompanied by payment in full of \$0.27 per New Share. Payments must be made by 5.00pm Melbourne time on or before the Closing Date for the Rights Issue (**24 September 2010**). Payments will only be accepted in Australian currency and, if not made by BPAY®, must be by cheque or bank draft drawn on and payable at any Australian bank.

If you are paying for your application for New Shares by BPAY®, refer to your personalised instructions on your Rights Issue Acceptance Form. You do not need to complete or return the Rights Issue Acceptance Form, however payment must be received by no later than 5.00 pm Melbourne time on the Closing Date.

Make sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Rights Issue Acceptance Form when making the payment.

If you have more than one shareholding and consequently receive more than one Rights Issue Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the CRN specific to that shareholding as set out in the applicable Rights Issue Acceptance Form.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 5.00 pm Melbourne time on the Closing Date for the Rights Issue (**24 September 2010**).

ATF will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in its absolute discretion in respect of Additional New Shares. Amounts received by ATF in excess of your Entitlement may be treated by ATF as an application for as many Additional New Shares as that excess amount will pay for in full.

If paying by cheque or bank draft, it should be made payable to '**ATF Group (PDF) Limited – NRRI**' and crossed 'Not Negotiable', and forwarded to the Share Registry in the reply paid envelope enclosed with the Prospectus. Cash payments will not be accepted. Receipts for payment will not be provided. Any application monies received for more than your final allocation of New Shares (and Additional New Shares) will be refunded. No interest will be paid to Participating Shareholders or investors on any application monies received or refunded.

You should note that ATF is not required to issue any New Shares to a Shareholder accepting the Rights Issue (whether a Participating Shareholder or otherwise) under this Prospectus unless:

- the Share Registry receives a completed Rights Issue Acceptance Form and a cheque in payment of the subscription amount for the relevant number of New Shares before 5:00pm Melbourne time on or before the Closing Date for the Rights Issue (24 September 2010); and
- there are sufficient funds in the account on which the cheque is drawn so that the cheque clears in favour of ATF when it is first presented for payment.

2.6 No cooling off rights

Cooling off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw your Rights Issue Acceptance Form once it has been accepted.

PLACEMENT

An acceptance under the Placement is an offer by the relevant investor to the Company to subscribe for all or any of the New Shares specified by the investor in the Placement Acceptance Form, and on the terms and conditions set out in this Prospectus. Acceptance by the Company of a Placement Acceptance Form will give rise to a binding contract. The Closing Date for the Placement is **29 October 2010**.

An application for New Shares as part of the Placement may only be made on a paper copy of the Placement Acceptance Form attached to, or accompanying, this Prospectus. There is no facility for acceptances to be accepted electronically.

The Corporations Act prohibits any person from passing the Placement Acceptance Form on to another person unless it is attached to a complete and unaltered paper copy of this Prospectus.

The Company will not accept a completed Placement Acceptance Form if it has reason to believe that the investor has not received a complete copy of this Prospectus, or it has reason to believe that the Placement Acceptance Form has been altered or tampered with in any way.

To participate in the Placement an investor must complete a Placement Acceptance Form in accordance with the instructions on its reverse side. Acceptances must be for a minimum of 10,000 Shares (\$2,700) or a greater number in multiples of 2,000 Shares (\$540). No stamp duty or brokerage is payable by investors.

The Placement Acceptance Form must be accompanied by a cheque or bank draft in Australian currency, drawn by an Australian branch of an Australian bank for the full application monies in respect of the New Shares the subject of the Placement Acceptance Form. All cheques must be made payable to '**ATF Group (PDF) Limited – Share Offer Account**' and crossed 'Not Negotiable' and forwarded to the Company.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Placement Acceptance Form being rejected.

2.7 Brokerage, Stamp Duty and Commissions

No brokerage or stamp duty is payable by Shareholders on the issue of the New Shares.

The Company reserves the right to pay a commission of up to 5% on Acceptance Forms lodged by, or which bear the stamps of or are otherwise procured by, financial intermediaries. In reserving the right to do so, the Company notes that it has not at this time agreed with any organisation to pay such commissions.

2.8 Enquiries Regarding the Offer

This Prospectus provides information for the Shareholders concerning a further potential investment in the Company and should be read in its entirety. If you have any questions regarding the content of this Prospectus or how to complete the Acceptance Forms, please contact the Company, the Share Registry or your stockbroker, accountant, lawyer or independent financial adviser.

SECTION 3. THE COMPANY

3.1 The Company

The Company is an unlisted public company. It was registered as a company on 5 September 2003. ATF is also a registered pooled development fund (**PDF**). It was registered as a PDF on 29 September 2003.

No shareholder of the Company presently owns in excess of 20% of the issued voting shares of ATF.

The Pooled Development Funds Program was established under the Pooled Development Fund Act (Cth) (**PDF Act**). The PDF Act regulates, among other things, the capital structure and investment activities of registered pooled development funds. Details of the requirements and restrictions imposed by the PDF Act on pooled development funds generally and, in particular, ATF and the current status of ATF's registration under the PDF Act are set out in section 3.13 of this Prospectus

3.2 The Company's business

ATF was established in September 2003 as a pro-active investment company by its then major shareholder, The Australian Technology Fund Pty Ltd.

ATF's original investments were:

- Evivar, an on-line therapy management company delivering real time predictive decision support services to clinicians treating patients suffering from chronic HBV. The diagnostic tool enables the treating clinicians to prescribe the right medication at the right time for their patients. The system was developed by the Victorian Infectious Diseases Reference Laboratory (VIDRL), a World Health Organisation Collaborating Centre for virus reference and research. VIDRL is part of Melbourne Health and is based in Melbourne. Evivar is ATF's primary investment. Details of the business of Evivar and ATF's investment in Evivar are set out below.
- Hunter Immunology Ltd (**Hunter**) – an unlisted public company that holds a suite of oral vaccines under development, the most significant being a vaccine being developed to treat chronic obstructive pulmonary disease, which is the fourth largest cause of death in the world. Given the size and nature of ATF's investment in Hunter and the lead time to market, the decision was made by ATF in 2008 to progressively sell down its investment in Hunter. At present, ATF holds 333,334 shares in Hunter, representing approximately 0.2% of the issued capital of Hunter. These shares have an expected market value of less than \$50,000 and are in the process of being sold.
- The Medcina Group (Medcina Pty Ltd and Medcina Group Pty Ltd) companies which were established for the purpose of bringing to market clinically proven natural medications (with a particular focus on natural Chinese medicines and remedies). Following changes in the executive management of ATF in April 2008, ATF ceased all further investment in the Medcina Group. ATF considered that neither Medcina entity was commercially viable nor was there was a reasonable likelihood of a return on its investment in those entities. At this time, while ATF retains its shareholdings in both the Medcina entities, those shares are of nil value.

In addition to the above, ATF has one other investment - in its wholly owned subsidiary Global Therapy Management Limited (**GTM**). GTM is to be the vehicle for ATF's new diagnostics business. As explained below, if the Evivar Acquisition proceeds, ATF intends to invest significant funds into that entity as it will become the holder of the non-SeqHepB intellectual property with the objective of developing and commercialising that intellectual property in a diagnostics business in connection with other blood borne diseases, for example, Hepatitis C.

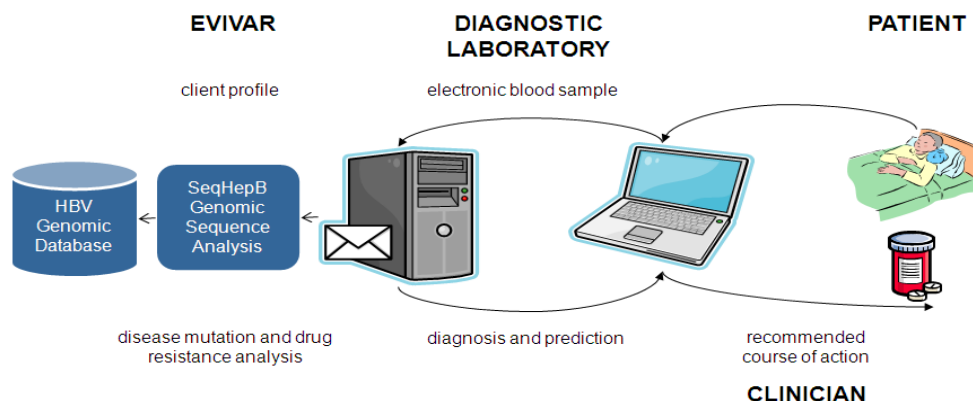
Evivar Medical Pty Ltd (Evivar)

At the present time, ATF has a 45% shareholding in Evivar. The investment of ATF is the only present investment of ATF of material value.

Evivar is a joint venture company established in conjunction with Melbourne Health in February 2006.

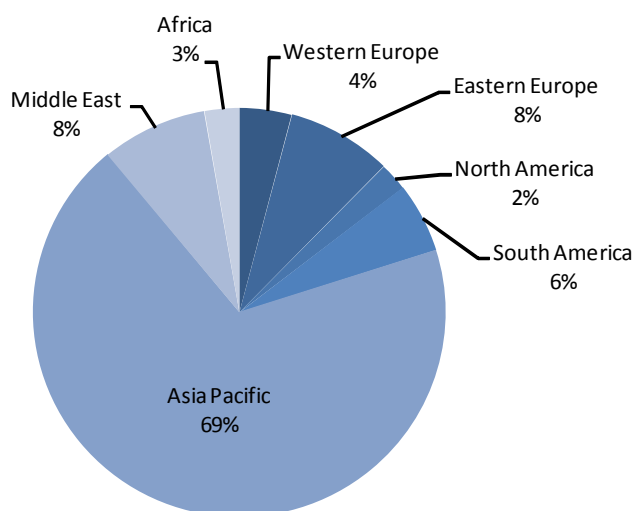
Evivar provides accurate and timely therapy management for Hepatitis B (HBV) patients through its SeqHepB program - a web-based, secure, on-line decision support tool to assist clinicians to optimise and individualise the treatment of patients with chronic Hepatitis B (CHB).

The SeqHepB system can be used to identify HBV mutations present in patients and to determine drug resistance levels to the various available medications. SeqHepB is a unique viral genomics sequence analysis program that is linked to a HBV genomic database. From a simple blood sample, by enabling clinicians to individualise the treatment of patients with chronic Hepatitis B (through the selection of the right drug at the right time in response to the mutations identified), the ultimate result is an increase in the overall health and longevity of patients and a reduction in the treatment costs. The diagnostic process using the SeqHepB system is illustrated below:



Hepatitis B is one of the top 10 causes of mortality globally. There is an estimated 360 million individuals worldwide who suffer from chronic Hepatitis B, with a further estimated 7 million people becoming chronically infected each year. There is no cure for chronic Hepatitis B and patients face a life long and expensive antiviral therapy.

The estimated dispersion (based on World Health Organisation data) around the world of the estimated 360 million chronically infected individuals is as follows:

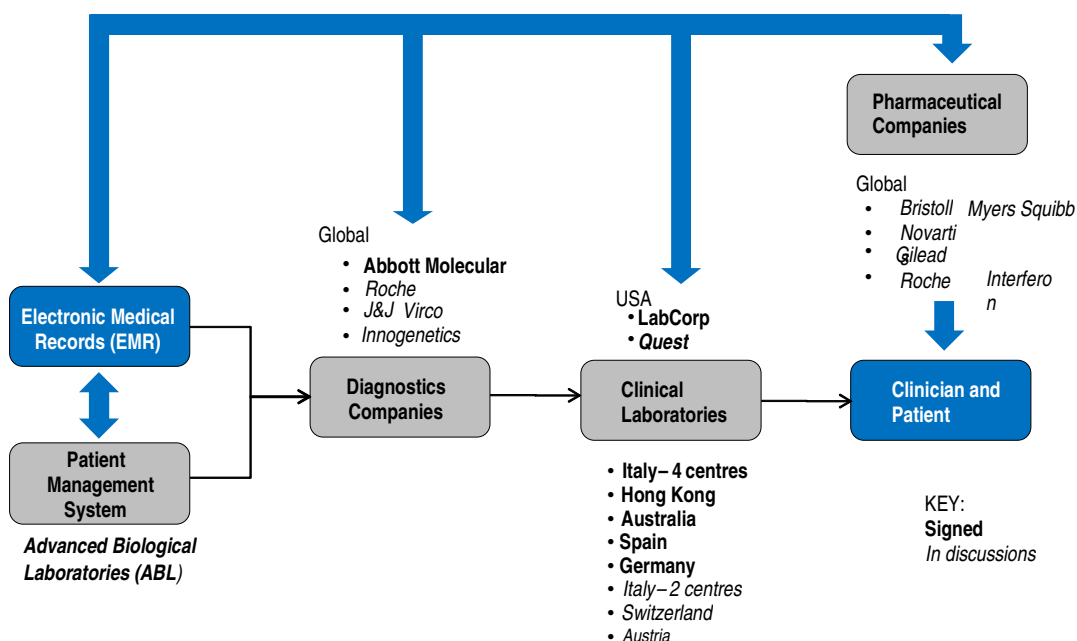


Like many infectious diseases, HBV mutates in response to drug treatments. The emergence of these mutations, without the appropriate changes in therapy management, leads to treatment failure which can result in the progression of the liver disease, a rapidly diminishing quality of life and ultimately, in many cases, death.

Clinicians have an increasing choice of therapies but need guidance on what drugs to use. Anti-viral drug resistance mutational analysis is the key to correct determination of the drugs to use, but current methods

have limits. The SeqHepB system (currently licensed to Evivar) is the world's most comprehensive database for HBV mutations. The database includes genetic, clinical and phenotypic information. Clinicians using the SeqHepB system can send blood analysis data by electronic means to Evivar which, by using the SeqHepB system, can identify the HBV mutations present and provide almost instant advice to the clinician on the appropriate drug (or combination of drugs) to prescribe.

Evivar operates on an ubiquitous licensing model that targets three key service providers in the management of HBV infected patients – clinical laboratories (that analyse the patient's blood), global diagnostics companies (that develop and market the blood analysis instruments) and the pharmaceutical companies (that provide the therapeutic drugs). During the past 2 years, Evivar has made significant progress in establishing a solid base for its diagnostic business. This progress is outlined in the following diagram:



In the United States of America (USA), non-exclusive licence agreements have been reached with Quest Diagnostics Inc (**Quest**) and Laboratory Corporation of America Holdings (**LabCorp**). Both agreements cover the USA and Canada for the use of the SeqHepB resistance test service.

Quest, which is based in Madison, New Jersey, USA, is the largest US clinical laboratory company. It is the world's leading provider of diagnostic testing, information and services. It has more than 2,000 patient service centres across the USA with laboratories in or near all the major cities. Quest performs testing for more than half a million patients a day, serving approximately half of the doctors and hospitals in the USA.

LabCorp is also one of the world's largest clinical laboratories (the second largest in the United States after Quest). Based in North Carolina, USA, it operates a network of primary testing facilities throughout the United States and employees over 25,000 people nationwide. It offers a broad range of molecular tests among other diagnostic tests.

Evivar has also concluded a non-exclusive licence agreement with Abbott Molecular Inc. (**Abbott**) of Des Plaines, Illinois. Abbott is one of the four leading global diagnostic companies (the others being Johnson and Johnson, Roche and Siemens). The licence agreement gives Abbott certain rights of use and access to the intellectual property in the SeqHepB database.

The Abbott licence is a very important step in the commercialisation of the intellectual property underpinning the Evivar business (and SeqHepB system). It is recognition by a major multinational company of the value of that intellectual property. From discussions to date with other global diagnostic companies, Evivar believes it can reasonably be expected that others among those companies will follow

Abbot's lead and that the SeqHepB system will attract the interest of other global pharmaceutical companies which market HBV and HCV therapeutic drugs.

In addition to the non-exclusive licences with the above companies, Evivar has also signed licence agreements with clinics in Italy (5 centres), Spain (1), Germany (1), Hong Kong (1) and Australia (and is deriving revenues from those licences). Further licence agreements are under negotiation with clinics in Switzerland, Austria and an additional two centres in Italy.

Evivar, with its limited resources, is at an early stage of the marketing and promotion of the SeqHepB system. In the financial year ended 30 June 2010, Evivar analysed in excess of 12,000 blood samples and volumes are growing. It derived revenues of \$390,000 from the licensing of the SeqHepB system and diagnostic testing undertaken using the system in the year ended 30 June 2010. It expects revenues from the exploitation of the SeqHepB system will increase modestly in the current financial year. In large part, the ability of Evivar to drive revenue growth will depend on the successful deployment of market development staff in the USA, Europe and Asia and in the marketing and promotional programmes to be established by Evivar in those jurisdictions.

3.3 Evivar Acquisition

In July 2010, ATF reached an 'in principle' agreement with Melbourne Health (on behalf of itself and its collaborating partners) which agreement, if completed in accordance with the presently agreed terms, will result in ATF:

- acquiring ownership, through Evivar and GTM, of the SeqHepB software and other intellectual property of Melbourne Health (and its collaborating partners) used by Evivar in its business and which ATF believes will enable it to pursue the strategic development of not only the Hepatitis B diagnostic business of Evivar but also its broader therapy management business in other blood borne diseases, for example, Hepatitis C; and
- securing 100% ownership of Evivar;

In summary, the 'in principle' agreement between ATF, Evivar, GTM and Melbourne Health (and its collaborating partners) involves the following components:

- the agreement of Evivar to buy back the shares held by Melbourne Health (for itself and as trustee for its collaborating partners) for \$3.0 million, which consideration is to be satisfied by the cancellation by Evivar of the existing licence granted by Melbourne Health (and others) that permits Evivar to use the SeqHepB system;
- the assignment by Melbourne Health (and its collaborating partners) of their intellectual property rights (including all copyright) in the analysis software, databases, domain names and other know how (**the SeqHepB system**) for \$3.0 million, which sum is to be paid in cash by Evivar in three tranches of \$1 million each payable on completion of the assignment, 30 June 2011 and 30 June 2012 respectively. Evivar and GTM have agreed to provide security over the intellectual property acquired by them from Melbourne Health (and its collaborating partners) in support of Evivar's obligations to pay the balance of the purchase price for the assignment of the relevant intellectual property rights to Evivar. Payment by Evivar of the second and third instalments is also supported by guarantees given by ATF and GTM. It is also a condition of the assignment that Evivar repays an amount of \$326,165.82 currently owed by it to Melbourne Health for services provided by it to Evivar;
- the assignment by Melbourne Health (and its collaborating partners) of the intellectual property rights to GTM of all the patents, patent applications and other intellectual property owned, legally and/ or beneficially by Melbourne Health (and its collaborating partners) in the field of detection of Hepatitis B, HIV and other blood borne viruses (for example, Hepatitis C) and / or new diagnostic applications relating to those viruses for the sum of \$4,648,875 (**Global Assignment Fee**); and

- ATF and GTM have agreed with Melbourne Health (and its collaborating partners) that GTM's obligation to pay the Global Assignment Fee to Melbourne Health (and its collaborating partners) may be satisfied by the issue to those parties of a total of 17,218,055 Shares in ATF at \$0.27 per Share, with the result that Melbourne Health (and its collaborating partners) would hold, if the Shares were issued prior to the Offer, approximately 18% of the issued capital of ATF. (Note: If all the New Shares offered under the Offer are issued, the aggregate shareholding of Melbourne Health (and its collaborating partners) in ATF would decrease to approximately 13.6%).

For ATF, the outcome of the Evivar Acquisition, assuming it is completed in, or substantially in, accordance with the 'in principle' terms agreed with Melbourne Health (and its collaborating partners), will be as follows:

- Evivar will become a wholly owned subsidiary of ATF (with consequent advantages to ATF in terms of Evivar's ability to develop the SeqHepB system and its Hepatitis B diagnostics business);
- Evivar (and the value of ATF's investment in Evivar) will cease to be dependent on the continuation of the licence by Melbourne Health (and its collaborating partners) of the intellectual property rights in the SeqHepB system;
- in addition to any further working capital that ATF may need to provide to Evivar, ATF will invest a further \$3.326 million over the period to 30 June 2012, which monies must be used by Evivar to secure ownership of the intellectual property rights that it uses to carry on its business (which rights are vitally important to its ability to build both its existing business and to expand that business in new markets (both in terms of customers and geographic spread)) and to repay existing debts for services rendered in the development of its present business;
- ATF's wholly owned subsidiary, GTM, will become the legal and beneficial owner of the patents, patent applications and other intellectual property rights it requires to facilitate it building a new business in the diagnostics and broader therapy management for other blood borne diseases, for example, Hepatitis C (refer to the following section headed 'New business opportunities / Strategic developments'); and
- ATF gains a new major shareholder, Melbourne Health.

ATF believes completion of the Evivar Acquisition is critical if it is to maximize the opportunities available generally to Evivar in the area of diagnostics tools for the detection and management for blood borne viral diseases. It is also timely as the Directors of ATF believe the opportunities exist now.

ATF is working closely with Melbourne Health (and its collaborating partners) towards completion of the Evivar Acquisition in accordance with the 'in principle' agreed terms. As indicated in the Prospectus, the issue of the New Shares under the Offer (Rights Issue and Placement) is subject to ATF being able to contemporaneously complete the Evivar Acquisition (on terms the same as, or substantially similar to, the terms of the Evivar Acquisition detailed in this section) at the time it completes the Offer. Subject to raising the minimum subscription under the Offer, completion is expected to occur on or before 30 September 2010.

3.4 New business opportunities / Strategic developments

In addition to the further commercialisation of the SeqHepB system, which the Directors of ATF expect will be greatly assisted by the transfer of the relevant intellectual property rights to Evivar, ATF will also be seeking to develop the underlying intellectual property (which is effectively a platform technology) for both:

- use in diagnostic tools for other blood borne viruses (for example, Hepatitis C); and
- integration with other technologies and intellectual property which, through enhanced utility and ease of use, will permit the expansion of the use of the intellectual property in therapy management systems (for example, in areas involving cross infection of Hepatitis C and HIV).

In relation to the second of the above new business opportunities, ATF has formed a strategic partnership with Advanced Biological Laboratories SA (**ABL**), a Luxembourg based company, which has specialised intellectual property in patient management / electronic medical records (**EMR**) systems. ATF intends to pursue this strategic alliance through GTM.

ATF believes that ABL's EMR technology (named 'TherapyEdge') is ideally suited for developing countries as it provides comprehensive integration of various clinical, virological and therapeutic data to assist the treating clinician. ABL's business is today strongly focussed on HIV, but its EMR technology is equally applicable to Hepatitis B and other blood borne viruses. By partnering with ABL, the Directors of ATF are seeking to expand their business, through GTM, into the field of therapy management.

From ATF's perspective, for both Evivar and GTM, ABL also represents another significant channel to market, especially in countries such as South Africa, Mexico and Thailand where ABL has already been able to successfully introduce its EMR system. For example, in South Africa, ABL is directly involved in the President's Emergency Plan for AIDS Relief (PEPFAR), an emergency programme established by US President George W Bush in 2003 for the prevention, care and treatment of HIV in low-resource settings. At present, the PEPFAR programme utilises Therapy Edge (incorporating the SeqHepB system) in a trial programme in 10 hospitals. If the trial is successful, it is ATF's belief that the programme will be expanded to in excess of 400 hospitals.

If ATF can build its strategic partnership with ABL, it believes that it will be well placed to expand both the Evivar and proposed therapy management businesses in countries such as China, India, Russia and Eastern Europe.

3.5 Reasons for the Offer

ATF requires the proceeds from the Offer (Rights Issue and Placement) to meet its expected funding needs for:

- the investment of an additional \$1.0 million into Evivar to fund payment of the first tranche of the purchase price of \$3.0 million payable by Evivar to Melbourne Health (under the agreed terms of the Evivar Acquisition) for the analytical software, domain names and other intellectual property directly related to the SeqHepB system;
- investment of \$0.33 million to allow Evivar to repay existing debts owed to Melbourne Health;
- further investment (up to \$0.5 million) by ATF in Evivar for the commercialisation of the SeqHepB database by Evivar - for example by:
 - the development and implementation of strategies for entry into key new markets (for example, People's Republic of China (PRC) which has the world's largest number of chronic Hepatitis B sufferers (with an estimated market of 170 million chronic cases));
 - further leverage of its existing licences and by securing other global diagnostic companies, laboratory and clinical centre licensees in target geographies; and
 - the appointment by Evivar of market development staff in Europe, USA and Asia;
- the investment of additional funds (up to \$1.0 million) into GTM to:
 - strengthen the existing intellectual property portfolio (to be acquired from Melbourne Health (and its collaborating partners) as part of the Evivar Acquisition) and further expand that platform technology and associated intellectual property portfolio, particularly in the development of a SeqHepC system for use in the diagnosis and treatment of Hepatitis C;

- establish and commercialise a new therapy management business (with the objective of a total patient management solution for HIV, Hepatitis C and Hepatitis B); and
- fund the commitment of GTM to the strategic partnership established with ABL;
- if required, repay the loan (and accrued interest) made to the Company by Cherryoak Investments Pty Ltd (expected cost is approximately \$1.4 million);
- additional working capital for the Company (\$0.5 million); and
- payment of the costs of the Offer (which costs, excluding any commissions payable to financial intermediaries, are expected to be approximately \$100,000).

If the Company is successful in raising the full amount, additional funds will be available for the working capital requirements of the Company and for additional investment into Evivar to assist it to make payment by Evivar to Melbourne Health of the second and third instalments of the purchase price agreed to be paid by Evivar for the intellectual property directly related to the SeqHepB system.

3.6 Use of funds to be raised

On successful completion of the Offer (Rights Issue and the Placement), if fully subscribed, the issue of New Shares will raise Gross Proceeds of up to approximately \$7.7 million for use by the Company as set out above in section 3.5.

If, however, the minimum subscription only is raised by the Offer (i.e. \$4 million), it will be used to assist in completion of the Evivar Acquisition, the repayment of the loan (and accrued interest) made to the Company by Cherryoak Investments Pty Ltd and in the further commercialisation of the SeqHepB system. In effect, the development of the therapy management business in GTM will be deferred until ATF has the cash resources available to make further investment in that business.

If the amount raised by the Offer is more than the minimum subscription but less than the full amount that ATF is seeking to raise under the Offer, the future intentions of ATF for the development and commercialisation of each of SeqHepB system and the platform technology (particularly in the area of HCV) will be scaled appropriately (to match the level of funding available).

Further, if less than the expected amount is raised by the Offer, or the Company does not achieve its expectations for the Evivar business and the use of its SeqHepB system, it is likely that ATF will need to raise further funds if it is to complete the payments due to Melbourne Health under the Evivar Acquisition and maximise the value of the intellectual property and businesses of Evivar and GTM.

It is, of course, difficult in the case of a company that is seeking to develop and/or commercialise new technologies, products and services to predict with certainty the likely future funding requirements of that company. For example, in the case of the Company, if the commercialisation plans for Evivar are delayed or prove to be more difficult to execute than is presently expected, or the costs associated with the development of the Company's new diagnostic intellectual property are greater than expected, it may be that the Company will need to vary or add to its development program and/or raise additional capital if it is to achieve its objectives.

While the Company expects to be able to obtain that additional funding, if it is needed, there can be no guarantee that the additional funding will be available or that the terms on which it may be available will be acceptable to the Company.

3.7 Intellectual property

The Evivar business is presently based on an exclusive, royalty free licence granted to it by Melbourne Health (and its collaborators) of the analytical software, domain names and numerous patents and filed patent applications that are relevant to the SeqHepB system and database. Importantly, on completion of the Evivar Acquisition, the patents, patent applications, copyright (including in the SeqHepB diagnostic

software) and other associated know-how underlying the platform technology that is both critical to the SeqHepB system and the development of the new businesses (including the therapy management and Hepatitis C businesses) based on that platform intellectual property will be assigned to Evivar and GTM.

To the extent that Evivar requires access to the intellectual property assigned to GTM, a Licence agreement will be entered into by GTM and Evivar for that purpose.

In the commercialisation of the SeqHepB system, both in the area of SeqHepB and in the proposed new businesses in therapy management and Hepatitis C, ATF will be constantly seeking to strengthen the intellectual property position of its subsidiaries. ATF believes its intellectual property position is a strong commercial barrier to potential competitors, but despite that view, ATF expects to continue to invest further in the maximization of its intellectual property portfolio and in further building and strengthening that portfolio.

Investors should note, however, that the making of a patent application or the granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not seek to develop alternative strategies in order to avoid ATF's intellectual property rights.

Further, because the patent positions of bio-technology and pharmaceutical companies can be highly uncertain and frequently involve complex legal and factual questions, neither the breadth of claims allowed in bio-technology and pharmaceutical patents nor their enforceability can be predicted with certainty. Accordingly, there can be no guarantee or assurance that any patents which ATF (or any of its subsidiaries) may own or licence will afford ATF or its subsidiaries commercially significant protection of their technology, products or services or that such technology, products or services will have commercial application.

3.8 Cherryoak Loan

The Company has short term, interest bearing borrowings of \$1,200,000 from Cherryoak Investments Pty Ltd (an entity associated with an unrelated private investor) (**Loan**). The interest rate on the Loan is 15% per annum and interest accrued on the Loan to 30 June 2010 totalled approximately \$142,000. Repayment of the Loan is secured by a mortgage over the Company's shareholding in Evivar.

The Loan (and accrued interest) may be converted into Shares (at a price of \$0.12 per Share) at the option of the holder. Based on the amount outstanding (principal and accrued interest) at 30 June 2010, if fully converted into Shares, it would result in the issue of approximately 11,182,000 Shares. If the holder elects to convert, ATF expects that it will be for part only or all of the principal amount (but not the accrued interest).

The Loan was initially to be repaid by 31 January 2010. By agreement with Cherryoak Investments Pty Ltd, the date for repayment of the Loan has been extended to 30 September 2010. If required by the lender, assuming the minimum subscription is raised, part of the funds raised under the Offer will be used to repay the Loan (and accrued interest).

3.9 Capital structure

The capital structure of ATF following the issue of the New Shares under the Offer will be as follows:

	Number of Shares
Current issued capital of the Company	81,734,083
Shares agreed to be issued (but not yet issued) to Mr Jon Lamb (or an entity associated with him) (as approved by the shareholders of the Company at the 2009 Annual General Meeting) and Mr J A (Tony) Wigginton	3,000,000
Shares to be issued to Melbourne Health (and its collaborating	17,218,055

partners)(assuming completion of the Evivar Acquisition)	
New Shares offered under this Prospectus (assuming full subscription under the Offer (Rights Issue and Placement))	28,522,347
Shares to be issued to Cherryoak Investments Pty Ltd (if it elects to convert the Loan to Shares)	10,000,000
Total number of Shares on issue on the close of the Offer (assuming full subscription under the Offer, the issue of all Shares to Mr Lamb and Mr Wigginton and completion of the Evivar Acquisition)	140,474,485

Notes:

1. The number of New Shares to be offered under the Prospectus and the total number of issued Shares on completion of the Offer are approximate numbers only. The actual number of New Shares to be issued under the Offer and, therefore, the number of issued Shares on completion of the Offer will depend on the number of fractional entitlements that are to be disregarded under the terms of the Rights Issue.
2. There are no options or other convertible securities currently on issue in ATF. There are, however, several agreements and/or arrangements entered into by ATF for the grant of options.

In 2009, ATF agreed to grant a total of 500,000 options to two consultants. It was agreed with the consultants that each option would be exercisable at \$0.20 at any time prior to the fifth anniversary of the date of grant of the options. These options are yet to be granted.

ATF has an Executive Share Option Plan (**Plan**). The Company has agreed to grant up to 7,000,000 options to the Directors, consultants and employees of the Company and its subsidiaries under the Plan, with the majority of the options to be issued to the Directors (who, as a result of the Company having no employees, perform the required executive functions for and on behalf of the Company) and consultants involved in the provision of services to Evivar. Each option will entitle the holder to subscribe for one Share on payment of an exercise price of \$0.20 on or before the final exercise date, which date will be either 4 or 5 years after the date of grant. The options will be subject to the achievement of performance conditions (which are yet to be determined) and transfer restrictions. The grant of these options will not occur until after completion of the Offer. For further details of the options to be granted to the Directors, refer to section 5.5.

3. The Company has agreed to issue 2,500,000 Shares to Mr Lamb (in lieu of the payment for services provided by Mr Lamb to the Company in the period from November 2007 to 30 June 2009) and 500,000 Shares to Mr Wigginton (in lieu of the payment for services provided by Mr Wigginton to the Company in the period from April 2008 to 30 June 2009). The issue of the Shares to Mr Lamb was approved by the Shareholders at the Company's 2009 Annual General Meeting. It is expected that these Shares will be issued on or shortly after completion of the Offer.
4. The Loan (and accrued interest) may be converted into Shares (at a price of \$0.12 per Share) at the option of the holder (Cherryoak Investments Pty Ltd). If the holder elects to convert, ATF expects that it will be for part or all of the principal amount only (and not the accrued interest). If that occurs, on conversion, the Company would issue 10,000,000 Shares and pay the accrued interest. If the full amount outstanding of the Loan (principal and accrued interest) is converted into Shares, based on the position at 30 June 2010, it would result in the issue of approximately 11,182,000 Shares to the holder.

3.10 Financial Position of ATF and the effect of the Offer

For the financial years ended 30 June 2008 and 2009, ATF made losses of \$2,949,536 and \$1,829,960 respectively. The losses are consistent with the nature of ATF's business activities, and the fact that ATF has invested in businesses that are not yet profitable or able to pay dividends. It is also the case that, in the 2008 and 2009 financial years, significant amounts were expensed in the administration and management of ATF and in the resolution of matters involving or referable to the prior management team of ATF.

In the last 12 to 18 months, significant time and resources have been devoted to reducing the administration and management costs of ATF and thereby maximising the cash resources available for investment by ATF. For the current financial year, with its more efficient administrative structure, ATF expects that its loss will be less than the losses recorded in the 2008 and 2009 financial years. Set out below is the Condensed Consolidated Income Statement for ATF for the 6 months to 31 December 2009:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	31 Dec 2009	31 Dec 2008
		\$	\$
Revenue			
Sales revenue		-	12,500
Other income		27,035	4,167
		<u>27,035</u>	<u>16,667</u>
Management Fees		-	-
Depreciation and amortisation		2,702	9,437
Professional Fees		166,298	430,239
Travel expenses		56,852	61,551
Finance costs		51,320	3,749
Other expenses		129,647	148,396
Provision for non-recoverable loans		-	243,558
Loss on disposal of plant and equipment		-	52,596
		<u>406,819</u>	<u>949,526</u>
Loss before income tax		<u>(379,784)</u>	<u>(932,859)</u>
Income tax expense		-	-
Loss from continuing operations		<u>(379,784)</u>	<u>(932,859)</u>

In the 6 months to 31 December 2009, the net cash used by ATF in its operating activities was \$501,099. After taking into account the net cash provided by investing activities (\$1,060,656) and the net cash used in financing activities (\$1,133,740), the net cash decrease in cash and cash equivalents in the half year period was \$574,183, leaving cash and cash equivalents in ATF at 31 December 2009 of \$99,643.

In the period from 1 January 2010 and 30 June 2010, there has been no material change in the financial or trading position of ATF. In that period, ATF has conducted its business in the ordinary course. It has raised additional working capital (by the issue of Shares) in that period totalling \$424,000. For the same 6 month period, the unaudited loss of the Company was approximately \$720,000 (which loss includes provisions for accrued expenses of in excess of \$300,000). Excluding the further funding of its investee companies, the actual cash expenses of ATF for that half year were less than \$200,000.

As at close of business on 9 July 2010, ATF had cash and cash equivalents on hand of \$253,753.

ATF advises that the Independent Auditor's Review Report to the Company's members for the half year ended 31 December 2009 noted that there was uncertainty as to whether the Company will be able to continue as a going concern as it is reliant on raising funds from existing shareholders and new shareholders through prospectus offers and generating cash inflows from its trading operations. As evident from the above, the Company has been able to raise additional working capital (by the issue of Shares) in the period to 30 June 2010. The Company is seeking to further address the adequacy of its working capital, and hence its ability to continue as a going concern, by the Offer made in the Prospectus.

The primary effect of the Offer on ATF (assuming successful completion of the Offer) will be that the number of Shares on issue is expected to increase by approximately 28.5 million New Shares and the cash resources (net of the costs of the Offer (excluding commissions) available to ATF will increase by approximately \$7.6 million.

To illustrate the expected effect of the Offer on ATF, an unaudited pro-forma Statement of Financial Position of ATF has been prepared as at 31 December 2009 based on the unaudited Statement of Financial Position of ATF as at that date (as extracted from the Half Yearly Report for the period ended 31 December 2009) adjusted for:

- the issue of 13.622 million New Shares at \$0.27 per New Share under the Rights Issue, and the issue of 14.9 million New Shares at \$0.27 per New Share under the Placement, to raise Gross Proceeds of \$7.700 million; and
- the write off against the Company's share capital of the costs of the Offer (assuming full subscription under the Offer but excluding the payment of commissions) of approximately \$100,000.

The accounting policies adopted in the preparation of the pro-forma consolidated Statement of Financial Position are consistent with the accounting policies adopted and described in ATF's Annual Report. The unaudited pro-forma Statement of Financial Position should be read in conjunction with the unaudited (but reviewed) Statement of Financial Position of ATF as at 31 December 2009 (as set out in the Half Yearly Report of the Company that is on the Company's website – www.atfgroup.com.au) and the Notes below.

Statement of Financial Position (as at 31 December 2009)	Actual \$'000	Impact of Rights Issue and Placement \$'000¹	Proforma \$'000
CURRENT ASSETS			
Cash and cash equivalents ²	100	7,600	7,700
TOTAL CURRENT ASSETS	100	7,600	7,700
NON CURRENT ASSETS:			
Property, plant and equipment	31		31
Other non-current assets	217		217
Other financial assets	4,096		4,096
TOTAL NON CURRENT ASSETS	4,344		4,344
TOTAL ASSETS	4,444	7,600	12,044
CURRENT LIABILITIES:			

Trade and other payables	404		404
Short term borrowings	1,245		1,245
TOTAL CURRENT LIABILITIES:	1,649		1,649
TOTAL NON CURRENT LIABILITIES	0		0
TOTAL LIABILITIES	1,649		1,649
NET ASSETS	2,795	7,600	10,395
EQUITY:			
Share capital	10,926	7,600	18,526
Accumulated Losses	(8,131)		(8,131)
TOTAL EQUITY	2,795	7,600	10,395

Note 1:

Proceeds of Offer (Rights Issue and Placement)	\$7,700,000
less the costs of the Offer (excluding commissions)	\$100,000
Net Proceeds of Offer	\$7,600,000

Note 2:

The pro-forma cash amount of \$7,700,000 reflects cash based on the unaudited (reviewed) accounts at 31 December 2009 as adjusted for the cash raised under the Offer (Rights Issue and the Placement), and therefore does not include changes to cash resulting from operating, financing and investing activities from 1 January 2010 to the date of this Prospectus. As at close of business on 9 July 2010, ATF had cash on hand of \$253,753.

Note 3:

The short term borrowings reflect the interest bearing loan of \$1,200,000 from Cherryoak Investments Pty Ltd (an entity associated with an unrelated private investor). Interest accrued on that loan to 30 June 2010 totalled approximately \$142,000. Refer section 3.8 of the Prospectus.

Financial position of Evivar and the financial impact of the Evivar Acquisition on ATF

The issue of New Shares under the Offer (on achievement of the minimum subscription) will facilitate completion of the Evivar Acquisition (which it is expected will be completed on the terms (or terms substantially similar to the terms) set out in section 3.3 of the Prospectus).

The financial position of Evivar is summarised below. Consistent with the development and commercialisation of the SeqHepB system, Evivar has made losses in each year since its establishment. In the financial years ended 30 June 2009 and 2010, the audited Statements of Comprehensive Income for Evivar show losses of \$172,848 and \$437,681 respectively. The increased loss in the year ended 30 June 2010 reflects the receipt in that year of lower up-front licence fee income and increased expenditure on business development.

The audited Statement of Financial Position of Evivar at 30 June 2010 shows net assets of \$4,765,755, of which the major component is the carrying value of the intangible assets (patents, trademarks and licences underpinning the SeqHepB system) of \$5,714,431. At 30 June 2010, Evivar's current liabilities exceeded current assets by \$961,260. Of that amount, approximately \$901,000 is represented by amounts owed to shareholders or related parties, and of that sum, in excess of \$680,000 will be finalised on completion of the Evivar Acquisition.

The Independent Audit Report to the members of Evivar for the year ended 30 June 2010 noted that there was inherent uncertainty as to whether Evivar will be able to continue as a going concern as it is reliant on its ability to raise sufficient finance for its working capital and/or the financial support of its shareholders (including ATF). ATF has provided a letter of support to Evivar. ATF's continued ability to support Evivar is dependent on its own ability to raise additional working capital (by the issue of Shares). As indicated in this Prospectus, one of the purposes of the Offer is to raise the funding that ATF believes is necessary to provide the working capital required by Evivar.

In that context, ATF expects the working capital funding that it will need to provide in the future to Evivar will steadily reduce if, as expected, the usage of the SepHepB system increases. If the Evivar Acquisition occurs, the primary effects on the Statement of Financial Position of ATF will be as follows:

- the intangible assets of ATF will increase as follows:
 - there will be approximately \$4.1 million goodwill on consolidation of Evivar;
 - by the discounted value of the intellectual property to be acquired by Evivar from Melbourne Health, which intellectual property is to be acquired by Evivar for \$3.0 million (to be paid over the period to 30 June 2012 as set out in section 3.3 of the Prospectus);
 - by the value of the existing patents owned by Evivar (\$0.6 million); and
 - by the value of the intellectual property to be acquired by GTM from Melbourne Health, which intellectual property is to be acquired by GTM for \$4.649 million;
- a reduction in the cash resources available to ATF of \$1.326 million to reflect the cash payments required to be made by Evivar to Melbourne Health on completion of the Evivar Acquisition (in part payment of the purchase price for the intellectual property and in payment of the debt owed to Melbourne Health); and
- an increase in the equity capital of ATF of \$4.649 million to reflect the issue to Melbourne Health (and its collaborating partners) of the 17,218,055 Shares in ATF at \$0.27 per Share in satisfaction of the purchase price payable by GTM for the intellectual property to be acquired by it from Melbourne Health (and its collaborating partners).

3.11 Future Financial Position and dividend policy

Shareholders should not expect to receive dividends. The primary objective of ATF is the development and commercialisation of the businesses of Evivar and GTM and any other intellectual property that may be acquired by ATF. It is expected that ATF will devote all its financial resources for that purpose and will continue to record losses in the short to medium term. It will therefore not be in a position to pay dividends.

In the longer term, the ability of ATF to pay dividends in the future (and the timing of dividends) will be dependent principally on the success of its development and commercialisation of the SeqHepB system by Evivar, the success of GTM in building its therapy management business and in ATF's ability to develop the intellectual property for other uses, for example, for diagnostic tools relevant to Hepatitis C. There will also be many other factors that will affect the future profitability (or otherwise) of ATF and its ability to pay dividends or return capital to its Shareholders in the future, including the future capital requirements and the financial position generally of ATF at the time.

The Company cannot give any assurances concerning the future financial position or profitability (or otherwise) of ATF and, therefore, cannot give any assurance on the payment of dividends or, if dividends are paid, the likely timing of any such dividend payments in the future.

All Shareholders must take account of these inherent uncertainties concerning the future financial position of ATF before exercising their Rights. Investment in ATF must be regarded as speculative.

3.12 The Directors

Set out below are brief details of the Directors of ATF:

Professor Raymond F Schinazi - Chairman and Non Executive Director

Professor Schinazi has extensive senior management experience in biotech start-ups, virology, drug discovery and is the founder of several biotechnology companies focusing on antiviral drug discovery and development, including Pharmasset Inc (NASDAQ: VRUS), Triangle Pharmaceuticals (purchased by Gilead in 2001 for US\$482 MM), Idenix Pharmaceuticals NASDAQ: IDIX), and RFS Pharma LLC.

Professor Schinazi has published over 420 peer reviewed papers and seven books and holds more than 80 US patents. He is a pioneer in the development of drugs for the treatment of HIV with more than 94% of individuals on treatment for HIV taking one or more drugs developed by or in conjunction with Professor Schinazi.

Professor Schinazi is also the recipient of numerous awards including the 2006 Distinguished Scientist Award from the Hepatitis B Foundation and a Honorary Doctor of Science from Bath University, UK. He has also served on the Presidential Commission on AIDS and is currently the Frances Winship Walters Professor of Paediatrics and Chemistry and Director of the Laboratory of Biochemical Pharmacology at Emory University and the Veterans Affairs Medical Centre, Atlanta, Georgia (USA).

Jon Lamb - Deputy Chairman

Formerly Chief Executive Officer with Beecham New Zealand, Jon joined Beecham's marketing division in brand management and new product development, working in South Africa, London, Australia and New Zealand. At age 30, he became the youngest CEO in the Group. He subsequently, and reluctantly, left the Beecham after his family decided to settle permanently in New Zealand.

Mr. Lamb has held Directorships of both public and private companies with a focus in the bio-medical field. He has acted as adviser to both the Thai Government and the then newly elected Mandela Government in South Africa as Advisor to the Strategic Planning Council.

Mr. Lamb brings a wealth of over thirty years international experience in the pharmaceutical and bio-medical arena ranging from private start up companies to multinational public corporations.

J. A. (Tony) Wigginton - Director and Company Secretary

Mr. Wigginton is a qualified accountant. He has over 26 years experience in the banking and stockbroking industry, both in Australia and overseas. He has held executive management positions with a number of major international banks in Australia, the United States and Asia. He is a director of an ASX listed company and several private companies. Mr Wigginton was a non-executive Director of the Company until retiring at the 2009 Annual General Meeting in November 2009. He recently rejoined the Board.

Bernard Romanin – Director and Chief Executive Officer of Evivar

Mr. Romanin has healthcare experience in diagnostics, pharmaceuticals and medical devices gained over 30 years in Australia and internationally. He has extensive commercial expertise in sales and marketing, technology licensing and partnership management.

Mr Romanin has experience in managing start-up and new market business opportunities. During almost a decade in the USA with Chiron and Novartis, he has directed market development activities to identify, validate and commercialise new opportunities in molecular-based and immuno-based diagnostics in the areas of infectious diseases (Hepatitis and HIV/AIDS), oncology, cardiovascular disease and metabolic disorders.

3.13 Pooled development funds

ATF is a pooled development fund (PDF). It was registered as a PDF on 29 September 2003.

The Pooled Development Funds Program was established under the Pooled Development Fund Act (PDF Act). The PDF Act regulates, among other things, the capital structure and investment activities of PDFs.

A PDF is a unique tax structure - its shareholders do not incur any capital gains tax on the sale of their shares and may elect to treat dividends paid by the PDF as tax exempt or to treat the franked amount of any such dividend as assessable income in order to receive the benefit of the attached franking credits. A PDF also enjoys concessional tax rates – it pays a corporate tax rate of 15% on PDF investment income and 25% on other income.

A PDF is intended to have a spread of shareholders. Consequently, unless the PDF Board approves otherwise, no shareholder (together with its associates) may hold more than 30% of the issued shares of a PDF. This restriction does not apply to an authorised deposit-taking institution, a life office or a widely-held complying superannuation fund.

A PDF is also prohibited from borrowing money, accepting a deposit of money, issuing debentures or convertible notes or making available an interest in a managed investment scheme. However, the PDF Act does not prohibit PDFs from making a permitted short term borrowing, for example, a temporary borrowing for cash flow purposes.

Investments by a PDF are also regulated by the PDF Act. The following restrictions apply to investments made by a PDF, subject to any concessions granted by the Venture Capital Committee (VCC) (a committee established by Innovation Australia (a division of the Federal Department of Innovation, Science and Research) for the purpose of administering the PDF Act and ensuring compliance by PDFs with the PDF Act):

- (a) Investments made by a PDF must be made by:
 - subscribing for or buying ordinary shares in a company;
 - acquiring non-transferable options in a company; or
 - the making of loans to existing investee companies (provided that the volume of loans made by a PDF at any one time must not exceed 20% of the shareholders' funds of the PDF);
- (b) A PDF must not invest in another PDF;
- (c) A PDF must not invest in a company whose primary activity is an 'excluded activity' which is defined in the PDF Regulations, as:
 - retail sale operations; and
 - the acquisition or disposal of an interest in, or development of, land except where this is wholly incidental to the conduct of an activity other than retail sale operations;
- (d) A PDF must subscribe for new equity in a company and, after that investment, hold at least 10% of the issued capital of that investee company. The VCC may permit a PDF to acquire existing equity if, amongst other things, that appears to be in the best interests of the investee company. The VCC may also in certain circumstances permit the PDF to invest in less than 10% of the company's equity;
- (e) A PDF must not invest in companies with total assets in excess of \$50 million;
- (f) A PDF must not invest more than 30% of its shareholders' funds in any one company (this is prohibited by section 25 of the PDF Act); and
- (g) A PDF must invest at least 65% of any capital raised by it within 5 years of that raising (unless a determination from the PDF Board stipulates otherwise).

The VCC may deregister a PDF if it fails to comply with certain requirements of the PDF Act. If a company is deregistered as a PDF it cannot subsequently be re-registered as a PDF. Revocation of registration does not affect the status of the former PDF as a company, but it will generally result in the immediate loss of the tax concessions available to the PDF and its shareholders.

By reason of the amount that ATF has invested in Evivar, ATF has previously been in breach of section 25 of the PDF Act in regard to its investment in Evivar. That section of the PDF Act precludes a PDF, without a waiver from the VCC, from investing in excess of 30% of its shareholders' funds in any one company.

ATF believes that it currently is in compliance with all restrictions imposed by the PDF Act on PDFs. The fact that ATF has previously been in breach of section 25 of the PDF Act is known to and has been the subject of correspondence between ATF and the VCC. On the basis of its discussions with the VCC and the fact that it is now in compliance with the PDF Act (particularly section 25 of that Act) and expects to remain in compliance, ATF does not expect that the VCC will take any steps to deregister ATF as a PDF or otherwise impose any penalty on it for its previous non-compliance.

If, for any reason ATF's present expectations do not prove to be the case, ATF will use all reasonable commercial endeavours and take such remedial or other action as is available to it at the time to avoid ATF being de-registered as a PDF (with consequent loss by both it and its shareholders of the tax concessions granted under the PDF Act).

While it is the intention of ATF to retain its status as a PDF, shareholders need to be aware of the following:

- depending on the ultimate path chosen by ATF for the commercialisation of Evivar and GTM, it may not be either practicable or possible for ATF to continue to comply with all of the investment restrictions imposed by the PDF Act on PDFs (particularly the restriction that requires a PDF to not invest more than 30% of its shareholders' funds in any one company); and
- as compliance with the PDF Act is based, in the first instance, on self assessment by the registered PDF of its own compliance, no guarantee can be provided by ATF that the VCC will form the same view as ATF as to its compliance with the PDF Act and, if the VCC does form a different view, that it will not take action against ATF (which action may include seeking to de-register ATF as a PDF).

SECTION 4. RISK FACTORS

This section identifies what the Directors regard as the major risks associated with an investment in ATF. Shareholders should read the whole of this Prospectus in order to fully appreciate all risks and the manner in which ATF intends to operate before any decision is made to subscribe for New Shares or deal with their Rights. The principal risk factors include, but are not limited to, the risks set out below.

While the Directors believe that prudent management will minimise the risks to the Shareholders, many of the risks are outside the control of ATF and cannot be mitigated.

4.1 General risk factors

There are general risks with any investment in the securities of a company. The fair market value of Shares may rise or fall depending on a range of factors and market conditions which are outside of ATF's control, including:

- (a) changes in interest rates, both in Australia and worldwide;
- (b) changes in government policy and regulatory environment;
- (c) changes in economic and political conditions in Australia and worldwide;
- (d) changes in investor sentiment and local and international market conditions; and
- (e) developments in technology markets generally.

These factors may have an impact on ATF's operational and financial performance and may impact on the price at which the Shares may be traded.

It is also the case that there is no ready market for the trading of the Shares (including the New Shares offered under the Prospectus). Therefore, Shareholders and investors ought to regard their investment in the Company as illiquid.

4.2 Risk factors specific to ATF and its business

Development and commercialisation programmes

Development and commercialisation programmes involve long lead times, and while ATF's programme for Evivar is materially advanced, there are numerous risks inherent in Evivar's programme and development activities, including:

- (a) uncertainty of the outcome of Evivar's licensing and marketing programmes;
- (b) difficulties or delays in Evivar's further development of the SeqHepB system; and
- (c) general uncertainty and resistance relating to the development of a new medical therapies and the level and speed of the uptake of those diagnostic tools and therapies.

The SeqHepB system requires further development as part of its commercialisation, which by its nature is uncertain in its outcome, expensive and time consuming. There may be difficulties or delays in the commercialisation process and progress is dependent on Evivar's corporate partners and licensees. These partners and licensees may not perform to expectation or at all.

No assurance can be given that Evivar's product commercialisation efforts will be successful, that any required regulatory approvals will be obtained, that Evivar's products will achieve market acceptance or, if other intellectual property is acquired, that ATF will be able to successfully commercialise it.

The risks involved in the development and commercialisation programmes for GTM are similar in nature, but more substantive due the earlier stage of development of the intellectual property for the diagnostic products (for example, for Hepatitis C) and the commercialisation plans.

Regulatory Approvals / Insurance

Complex government, health and insurance regulations, which are subject to change, add uncertainty to any marketing or commercial programmes.

Delays may be experienced in obtaining regulatory approvals and these may add to cost and delay products from entering the market place. This may adversely affect ATF's (and its investee companies) competitive position and the financial value.

Delays or failure to obtain regulatory approval for a product or acceptance in the market place would be likely to have a serious adverse effect on the financial value of ATF and have a consequent impact on the financial performance and position of ATF.

ATF's operations are subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines. There can be no assurance that future legislation will not impose further government regulation with which ATF will be required to comply.

The approval process for new products often takes several years and will involve substantial expenditures. In addition, governmental policies may change and additional regulations may be promulgated that could delay or prevent regulatory or market approval of products / technologies sought to be commercialised by ATF.

SeqHepB system

Evivar presently licenses the SeqHepB system from Melbourne Health. On the completion of the Evivar Acquisition, ATF, through its wholly owned subsidiaries, will own the platform intellectual property rights underpinning the SeqHepB system and necessary for the further development of a diagnostic tool for Hepatitis C and for its therapy management business.

There can be no assurance that Evivar or GTM will be able to enter into acceptable licence or collaborative agreements in the future, that companies with which Evivar or GTM will establish such agreements will perform their obligations under those agreements or that the services they provide will comply with those agreements.

Other Intellectual Property

There can be no assurance that ATF will be able to successfully develop, licence or acquire other intellectual property licences or, if it is able to do so, that it will be able to successfully commercialise its intellectual property.

Competition

Intense competition exists in the diagnostics industry, including in relation to:

- (a) developing products for existing and new markets;
- (b) obtaining and sustaining proprietary rights to technology; and
- (c) marketing, selling and distributing products.

The risk exists that one or more of the competitive products in development now or in the future will prove more efficacious, more cost effective or more acceptable to patients than the SeqHepB system used by Evivar or any new diagnostic product that ATF may acquire in related fields. It is possible that a competitor may enter the market place and establish itself as the preferred product for an indicated use.

Such competition and new technologies can have the effect of:

- (a) rendering costly development obsolete;
- (b) decreasing the financial value of products or research projects; and
- (c) reducing pricing and profit margins.

Major pharmaceutical companies may also change their focus in a manner adverse to Evivar and / or GTM and, by implication, ATF.

Market Acceptance

Market acceptance of ATF's, Evivar's or GTM's products is uncertain. These uncertainties can be caused by:

- (a) difficulties and delays in marketing the SeqHepB system (or any new product developed by ATF); and
- (c) the advancement of new competitive products.

Accordingly there can be no assurance that the SeqHepB system (or any new product developed by ATF) will be successful in the market place, or that Evivar or ATF will receive any profits from the sale of its products.

Additional Capital Requirements

Development and commercialisation activities require a high level of funding over a long period of time. The proceeds of the Offer are expected to be sufficient to fund the commercialisation and operational activities of ATF for the immediate future. However, additional development costs may arise within this period, and substantial additional funding may be required to complete the development and commercialisation of the SeqHepB system (or any new product or business developed by ATF) beyond this time. There is no assurance that additional funding will be available to ATF in the future or that it can be secured on acceptable terms.

Technology Intellectual Property Rights

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology to avoid the patented technology that will, on completion of the Evivar Acquisition, be owned by ATF's investee companies, Evivar and GTM.

ATF's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent positions of bio-technology and pharmaceutical companies can be highly uncertain and frequently involve complex legal and factual questions, neither the breadth of claims allowed in bio-technology and pharmaceutical patents nor their enforceability can be predicted with certainty. There can be no assurance that any patents which ATF's investee companies, Evivar and GTM, may own or control will afford them commercially significant protection of its technology or its products or have commercial application.

The enforceability of a patent is dependent on a number of factors which may vary between jurisdictions. These factors include the validity of the patent and the scope of protection it provides. The validity of a patent depends upon factors such as the novelty of the invention, the requirement in many jurisdictions that the invention not be obvious in light of the prior art (including any prior use or documentary disclosure of the invention), the utility of the invention and the extent to which the patent specification clearly discloses the best method of performing the invention. The legal interpretation of these requirements often varies between jurisdictions. The scope of rights provided by a patent can also differ between jurisdictions. There can be no assurance that others will not seek to imitate the SeqHepB system (or other products or services developed by ATF's investee companies, Evivar and GTM) or circumvent them, and in doing so, attempt to design their products in such a way as to circumvent ATF's rights.

Additionally, the ability of the legal process to provide efficient and effective procedures for dealing with actual or suspected infringements can vary considerably between jurisdictions.

Dependence on Key Personnel

Further development of products and services in the diagnosis of blood borne viruses by ATF's investee companies, Evivar and GTM, is dependent on the principal members of the development team, particularly Dr Stephen Locarnini. The loss of their services could materially and adversely affect ATF, Evivar and GTM and may impede the achievement of its development and commercial objectives.

There can be no assurance that ATF will be able to retain sufficient qualified personnel on a timely basis, retain its key scientific and management personnel or maintain its relationships with its key collaborators. The failure to attract and retain such personnel and develop such expertise could materially adversely affect ATF's prospects for success.

Future Demand for product

Evivar is a relatively new market entrant and the SeqHepB system it possesses is only now being commercialised. There is a risk that Evivar's estimates of future demand for its diagnostic products are overstated or may not be able to be achieved. There is no comparable information regarding penetration of diagnostic products of the nature contemplated by Evivar in the relevant markets. Failure to achieve customer acceptance of its SeqHepB system product will have an adverse effect on the future results of Evivar and ATF. Similar comments apply to GTM.

General business and investment risks

There are a number of risks of investment which are considered beyond the control of the Company:

- adverse changes in the national and international approval rules and processes for new diagnostic products;
- adverse changes in government health and budget policies;
- adverse changes in the policies of health and medical insurers, in regard to both the need for patients to undertake 'resistance testing' and the reimbursement of the costs associated with such tests;
- adverse currency and interest rates movements; and
- changes in laws / barriers to commercialisation of medical technologies.

The above risk factors ought not be taken as exhaustive of the risks faced by ATF or by the holders of Shares in ATF. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of ATF and the value / fair market price of the New Shares offered under the Offer and the Placement.

Therefore, the New Shares to be issued under the Offer and the Placement carry no guarantee with respect to the payment of dividends, returns of capital or the ultimate market price of those Shares.

Investment in ATF must be regarded as speculative and neither ATF nor any of its Directors or any other party associated with the Offer and the preparation of the Prospectus guarantees that any specific objectives of ATF will be achieved or that any particular performance of ATF or of the New Shares will be achieved.

SECTION 5. ADDITIONAL INFORMATION

5.1 Inspection of documents lodged with ASIC

ATF is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosing obligations under the Corporations Act. These obligations require ATF to lodge with ASIC information of which it becomes aware concerning ATF which a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of documents lodged with ASIC in relation to ATF (which are not documents of the type referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

Copies of continuous disclosure documents lodged with ASIC in relation to ATF may be obtained from, or inspected at, an office of ASIC.

5.2 Obtaining copies of Documents

The Company will provide, free of charge to any person who asks before the Closing Date, a copy of:

- (a) the annual financial report of the Company for the year ended 30 June 2009, being the most recently lodged annual financial report of the Company before the date of this Prospectus;
- (b) the half yearly financial report of the Company for the half year ended 31 December 2009, being the most recently lodged half yearly financial report of the Company before the date of this Prospectus; and
- (c) any continuous disclosure notices given by the Company to ASIC, including notices given by the Company to ASIC after the lodgement of the annual financial report of the Company for the year ended 30 June 2009 with ASIC and before lodgement of a copy of this Prospectus with ASIC.

Investors should note that the Annual Report of the Company (which incorporates the financial statements of the Company for the year ended 30 June 2009) was lodged with ASIC on 29 October 2009 and the Half Yearly Accounts on 13 March 2010.

The following documents have been lodged by the Company with ASIC since the Annual Report of the Company (which incorporates the financial statements of the Company for the year ended 30 June 2009) was lodged with ASIC on 29 October 2009:

- 2 March 2010 - Form 484 Notification of issuance of shares
- 10 March 2010 - Update Letter to Shareholders
- 11 March 2010 - Form 484 Notification of resignation of Director
- 17 March 2010 - Resolution of directors adopting half yearly Financial Statements
- 26 March 2010 - Form 7051 Half Yearly Reports
- 28 May 2010 - Form 484 Notification of issue of Shares
- 7 July 2010 - Form 484 Notification of issue of Shares
- 7 July 2010 - Form 484 Notification of appointment of Director

All requests for copies of any of the above documents lodged at ASIC should be addressed to the Company Secretary of ATF or, in the case of the Shareholder letters and the financial reports of the Company, can be viewed on ATF's web site www.atfgroup.com.au

5.3 Rights attaching to New Shares

There is only one class of shares in ATF, fully paid ordinary shares (Shares). The New Shares will rank equally with the all issued Shares.

The rights attaching to the Shares are:

- set out in the constitution of ATF, a copy of which is available for inspection at ATF's registered office; and
- in certain circumstances, regulated by the *Corporations Act 2001* (Cth) and the general law.

The following is a summary of the principal rights of the holders of Shares:

Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a show of hands, and on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in that Shareholder's name on ATF's share register.

A poll may be demanded by the chairperson of the meeting, at least 5 shareholders entitled to vote on the resolution or shareholders with at least 5% of the votes that may be cast on the resolution on a poll.

Dividends

Dividends are payable out of ATF's profits and are declared by the Directors. Dividends declared will be payable on the Shares at a fixed amount per share.

Transfer of Shares

A shareholder may transfer Shares by a market transfer according to any computerised or electronic system established or recognised under the *Corporations Act 2001* (Cth) for the purpose of facilitating transfers of Shares or by an instrument in writing in any form approved by the Directors.

Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings of ATF and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of ATF or the *Corporations Act 2001* (Cth).

Liquidation Rights

ATF has only one class of shares on issue, which all rank equally in the event of liquidation. Once all the liabilities of ATF are satisfied, a liquidator may, with the authority of a special resolution of shareholders, divide among the shareholders at the time the whole or any part of the remaining assets of ATF. The liquidator may with the sanction of a special resolution of ATF vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of ATF can be compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder Liability

As the New Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three-quarters of shareholders present and voting at a general meeting.

5.4 Taxation

Shareholders should be aware that there may be taxation implications of participating in the Offer and/or receiving New Shares. The taxation consequences of participating in the Offer and acquiring New Shares will vary depending on the individual circumstances of the Shareholders. Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

5.5 Options

There are no options or other convertible securities currently on issue in ATF. There are, however, several agreements and/or arrangements entered into by ATF for the grant of options.

ATF has agreed to grant 250,000 options to each of two consultants (a total of 500,000 options). Each option is exercisable into one Share at an exercise price of \$0.20. The final exercise date will be the date that is 5 years from date of grant of the options. While ATF has agreed to grant these options, they will not be formally granted prior to the close of the Offer.

ATF Executive Share Option Plan

ATF has an Executive Share Option Plan (**Plan**). The Company has agreed to grant up to 7,000,000 options to the Directors, consultants and employees of the Company and its subsidiaries under the Plan, with the majority of the options to be issued to the Directors (who, as a result of the Company having no employees, perform the required executive functions for and on behalf of the Company) and consultants involved in the provision of services to Evivar. Each option will entitle the holder to subscribe for one Share on payment of an exercise price of \$0.20 on or before the final exercise date, which date will be either 4 or 5 years after the date of grant. The options will be subject to the achievement of performance conditions (which are yet to be determined) and transfer restrictions. The grant of these options will not occur until after completion of the Offer.

The terms of the issue of the options will vary and, in most cases, vesting of the options in the holders will be subject to the achievement of performance hurdles and benchmarks. Options that vest (or are not subject to performance hurdles and benchmarks) may be exercised at any time. It is expected that any Shares issued on exercise of an option issued under the Plan will also be subject to transfer restrictions.

As none of the options will be granted prior to the close of the Offer, no proposed recipient of the options under the Plan will have an entitlement to participate in the Rights Issue.

5.6 Litigation

As at the date of this Prospectus, ATF is not aware of any actual, pending or threatened litigation or claim (or circumstances likely to give rise to any such litigation or claim) against ATF which is material to a person considering how to deal with his/her Rights or deciding to subscribe for New Shares.

5.7 Interests of Directors and promoters

Except as set out below or elsewhere in this Prospectus:

- no Director, proposed Director or promoter of ATF holds or has held in the two years before the date of this Prospectus, any interest:
 - in the formation or promotion of ATF;
 - in property acquired or proposed to be acquired by ATF in connection with its formation or promotion or the Offer or the Placement; or
 - the Offer or the Placement; and

- no amount has been paid or agreed to be paid and no value or any benefit has been given or agreed to be given to:
 - any Director, or proposed Director, to induce him or her to become, or to qualify as, a director of ATF; or
 - any Director, proposed Director or promoter of ATF for services that he or she has provided in connection with the formation or promotion of ATF or the Offer or the Placement.

Directors' share holdings (includes interests held directly and indirectly) at the date of the Prospectus:

<i>Director</i>	<i>Ordinary Shares</i>
Professor Raymond Schinazi*	1,875,000*
Mr Jon Lamb**	Nil
Mr Bernard Romanin	Nil
Mr Tony Wigginton**	425,000

* These Shares were purchased by Professor Schinazi in 2007.

**The interests of Mr Lamb and Mr Wigginton in the Company do not include the Shares agreed to be issued by the Company to each of them respectively (as noted below) in lieu of payment for services rendered by them to the Company prior to 30 June 2009 (refer below for further details).

No Director presently holds options or other securities convertible into Shares or other securities of the Company. However, as set out in section 5.5 of the Prospectus, the Company has agreed to grant up to 7,000,000 options to the Directors, consultants and employees of the Company and its subsidiaries under the Plan, with the majority of the options to be issued to the Directors involved in the provision of services to the Company and Evivar. It is agreed that, subject to the achievement of performance conditions (which are yet to be finally determined) and certain transfer restrictions, each option will entitle the holder to subscribe for one Share on payment of an exercise price of \$0.20 on or before the final exercise date, which date will be either 4 or 5 years after the date of grant. that the grant of these options will not occur until after completion of the Offer.

The options will be allocated to the Directors as follows - 2,000,000 options to each of Mr Lamb and Mr Romanin, 1,000,000 options to Mr Wigginton and 250,000 options to Professor Schinazi.

Shareholding qualifications

The Directors are not required to hold any Shares under the constitution of ATF as a qualification for, or prerequisite to, holding office as a director.

Remuneration of Directors

The constitution of ATF provides that the non-executive Directors are entitled to remuneration as determined by ATF in a general meeting. The total maximum remuneration currently able to be paid to the non-executive Directors of ATF is an amount not exceeding \$750,000 per annum, which amount may be apportioned among them in the manner that the Directors in their absolute discretion determine.

For the financial year ended 30 June 2009, while no Directors' fees were paid in the course of that year to the non-executive Directors, the Company agreed to pay and accrue fees to the non-executive Directors (for that year) totalling \$168,363. While accrued, the fees will not be paid prior to the close of the Offer. For the financial year ended 30 June 2010, non-executive Directors' fees of \$139,197 were accrued and, again, while accrued, have not been paid to the non-executive Directors. At 30 June 2010, the total Directors' fees accrued and unpaid totalled \$371,133.01.

A Director may be paid fees or other amounts as the Directors determine where a director performs special duties or otherwise performs services outside the scope of the duties of a director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Both Mr Lamb and Mr Wigginton have provided services to the Company. As ATF does not have any employees, it is reliant on its officers to provide services and act, in practical effect, in an executive capacity (on a part time basis) in order to properly manage its business. This has been the case subsequent to the resignations of ATF's former executive officers in April 2008.

Mr Lamb has played a vital role in the management, administration and funding of the Company since April 2008. He has been instrumental in raising the capital necessary to complete ATF's initial investment in Evivar. In addition to the Directors' fees accrued for Mr Lamb, for the period from November 2007 (when he was first appointed a Director) to 30 June 2009, the Company has agreed to pay Mr Lamb a total fee of \$500,000 for the consulting and other capital raising services rendered by him to the Company. The fee is to be satisfied by the issue of 2,500,000 Shares (at \$0.20 each) to Mr Lamb. The issue of these Shares to Mr Lamb was approved by the members of ATF at the 2009 Annual General Meeting held on 26 November 2009. The issue of these Shares will occur after the completion of the Offer and be in accordance with that resolution.

Mr Wigginton has also provided consulting and secretarial services to the Company in the period from April 2008 to 30 June 2009. In addition to the Directors' fees accrued for Mr Wigginton, the Company has agreed to issue 500,000 Shares (at \$0.20 each) to Mr Wigginton for the provision of those services for the period to 30 June 2009. The issue of these Shares will occur after the completion of the Offer.

For the period from 1 July 2009 to 30 June 2010, the Company agreed to pay each of Mr Lamb and Mr Wigginton an annual fee for the provision of their services to the Company (subject to the Company having the financial resources to do so). The Company agreed to pay Mr Lamb \$150,000 per annum and Mr Wigginton \$70,000 per annum. In each case, the fees have been accrued and will be paid as and when appropriate for the Company to do so. For the period after 1 July 2010, it is expected the Company will enter into a formal consulting agreement with each of Mr Lamb and Mr Wigginton (which will cover the provision of further services by Mr Lamb and Mr Wigginton subsequent to 1 July 2010).

Mr Bernard Romanin is the Chief Executive Officer of Evivar. The salary and other benefits that he receives in that position are on commercial terms commensurate with the salary packages available to executive officers of other small technology and diagnostics companies of a similar size and industry grouping to Evivar.

Professor Raymond Schinazi made a loan to the Company in April 2008. The loan was made on commercial terms, including interest at 8.6% per annum and secured against the Company's holding of shares in Hunter Immunology Limited. The loan (and all accrued interest) has been repaid in full.

5.8 Interests of professionals or other advisers

Except as set out below or elsewhere in this Prospectus:

- no person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or has held in the two years before the date of this Prospectus, any interest:
 - in the formation or promotion of ATF;
 - in property acquired or proposed to be acquired by ATF in connection with its formation or promotion or the Rights Issue or the Placement; or
 - in the Rights Issue or the Placement; and
- no amount has been paid or agreed to be paid and no value or benefit has been given or agreed to be given to any person named in the Prospectus as performing a function in a professional,

advisory or other capacity in connection with the preparation or distribution of this Prospectus for services provided in connection with the formation or promotion of ATF or Rights Issue.

Auditor - Pitcher Partners

Pitcher Partners conducted the audit of ATF for the year ended 30 June 2009 and a review of the Half Yearly Accounts for the 6 months ended 31 December 2009. Pitcher Partners also conducted the audit of Evivar for the years ended 30 June 2009 and 2010. ATF and Evivar (as required) have paid the fees of Pitcher Partners for its work as auditor of the Company and Evivar respectively on the basis of its usual rates.

Lawyers to the Company - Minter Ellison

Minter Ellison has acted as lawyers to ATF in relation to the Rights Issue and the Placement. Minter Ellison's fees for this work up to the date of lodgement of this Prospectus are approximately \$40,000 plus GST. Minter Ellison will receive further fees for additional work on the basis of its usual charge out rates.

Computershare Investor Services Pty Limited (Computershare)

Computershare has been engaged by the Company to maintain its share register, both in relation to the Offer and the Placement, and generally. The Company will pay Computershare fees in accordance with Computershare's standard commercial terms. Computershare has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry of the Company. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

5.9 Consents to the inclusion of information

The following persons have given and have not, before the issue of this Prospectus, withdrawn their written consent to the issue of this Prospectus with the inclusion of the following information in the form and context in which it is included:

- Pitcher Partners - the extracts from and all references to the audited accounts and audit reports of ATF and Evivar for the years ended 30 June 2009 and 2010 respectively and the reviewed Half Yearly Accounts of ATF for the 6 months ended 31 December 2009 as included in the Prospectus.
- Each Director - the respective statements in regard to their intentions concerning exercise of their Rights included in the Prospectus.

To the extent that the Prospectus includes statements made by Evivar or Melbourne Health or includes statements based on statements of, or information provided by, Evivar or Melbourne Health, each of Evivar and Melbourne Health consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of the Prospectus with ASIC.

5.10 Consents to be named

The following persons have given and have not, before the issue of this Prospectus, withdrawn, their written consent to be named in this Prospectus, as set out below, in the form and context in which they are named:

- Minter Ellison - Lawyers to the Company
- Pitcher Partners - Auditor
- Computershare Investor Services Pty Limited - Share Registry

5.11 Responsibility statements

No person named in sections 5.9 and 5.10:

- has authorised or caused the issue of this Prospectus; or
- makes, or purports to make, any statement in this Prospectus or any statement on which a statement in this Prospectus is based other than the specific statements as detailed in sections 5.9 and 5.10.

Each person named in sections 5.9 and 5.10, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than the specific statements set out and attributed to them in sections 5.9 and 5.10.

5.12 Documents for inspection

Copies of the following documents:

- the consents referred to in sections 5.9 and 5.10;
- the Constitution;

will be available for inspection free of charge during business hours at the registered office of ATF from lodgement of this Prospectus until the Closing Date.

5.13 Authorisation

This Prospectus is issued by ATF Group (PDF) Limited. Each of the Directors has consented to the lodgement of this Prospectus with ASIC.

Dated: 11 August 2010

SECTION 6. DEFINED TERMS

Acceptance Forms	both the Rights Issue Acceptance Form and the Placement Acceptance Form attached to or accompanying the Prospectus and Acceptance Form means either one of them.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited.
Board	the board of Directors from time to time.
Closing Date	the last date for accepting an offer for New Shares (by returning the relevant Acceptance Form), being 5.00pm Melbourne time on 24 September 2010 for the Rights Issue and 5.00pm Melbourne time on 29 October 2010 for the Placement .
ATF or the Company	ATF Group (PDF) Limited ACN 106 213 772.
Constitution	the constitution of the Company from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	the directors of ATF from time to time.
Entitlement	a Shareholder's entitlement to New Shares pursuant to the Rights Issue, as set out on the Rights Issue Acceptance Form.
Evivar	Evivar Medical Pty Ltd ACN 104 330 814, an investee company of ATF.
Exposure Period	the period of 14 days after lodgement of the Original Prospectus (ASIC extended the standard 7 day Exposure Period to 14 days by notice given to ATF on 4 August 2010).
Gross Proceeds	the gross amount raised pursuant to the Offer (before the costs (excluding commissions) of the Offer).
GTM	Global Therapy Management Limited ACN 129 467 992, a wholly owned subsidiary and investee company of the Company
Half Year Accounts	the half year accounts (and attached reports) of ATF for the half year ending 31 December 2009 lodged with ASIC on 13 March 2010.
HBV & HCV	Hepatitis B and Hepatitis C viruses respectively
New Shares	Shares to be issued pursuant to the Offer (Rights Issue and the Placement).
Non-participating Shareholders	has the meaning given to it in section 1.2 of the Prospectus.
Offer	the Offers of New Shares made under the Prospectus, which Offer comprises the Rights Issue and the Placement.
Original Prospectus	the prospectus dated 28 July 2010 in relation to the Offer which was lodged with ASIC on 28 July 2010, which is replaced by this Prospectus.
Participating Shareholders	has the meaning given to it in section 1.2 of the Prospectus.

Placement	the offer detailed in the Prospectus to make a placement of up to 14.9 million New Shares to sophisticated and professional investors at an issue price \$0.27 (to raise up to \$4.02 million).
Placement Acceptance Form	the Acceptance Form for use by persons subscribed for New Shares as part of the Placement.
Prospectus	this replacement prospectus in respect of the Offer (Rights Issue and the Placement) as lodged with ASIC on 11 August 2010, which prospectus replaces the Original Prospectus.
Record Date	7.00pm on 12 August 2010.
Right	the right to subscribe for 1 New Share for every 6 Shares held on the Record Date and Rights has a corresponding meaning
Rights Issue	the 1 for 6 non-renounceable rights issue of approximately 13.6 million New Shares in ATF at an issue price of \$0.27 per New Share
Rights Issue Acceptance Form	the personalised Acceptance Form for use by Shareholders under the Rights Issue, which form accompanies the copies of the Prospectus that will be forwarded to the Shareholders.
Share	a fully paid ordinary share in the capital of ATF and Shares has a corresponding meaning
Shareholders	registered holders of Shares from time to time, and Shareholder has a corresponding meaning.
Share Registry	Computershare Investor Services Pty Limited

Privacy Disclosure

If you apply for New Shares, you will be required to provide personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Acceptance Form, service your needs as a Shareholder and/or provide the facilities/services that you request and carry out appropriate administration.

All personal information will be collected in accordance with the 'National Privacy Principles' as set out under the Privacy Act 1988. Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Acceptance Form may not be able to be processed.

If you subscribe for New Shares, you agree that the Company and the Share Registry may disclose your personal information for any purpose related to your investment in the Company, including to those persons listed below or as otherwise authorised under the Privacy Act 1998:

- the Share Registrar - to assess your Acceptance Form and for administration of the share register; and
- the printers and the mailing house - for the preparation and distribution of statements and the handling of mail.

The information may also be disclosed to the Company's related companies and/or to their agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

Under the Privacy Act 1988, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning the Company on (+61 3) 9662 4049 or by writing to the Company via the Share Registry.