



CardioMag ImagingTM



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CARDIOMAG WINS PHASE II OF NATIONAL SCIENCE FOUNDATION GRANT

\$500,000 Two-Year Project to Provide Non-Invasive Automated Diagnosis Of Heart Disease

Following successful completion of the NSF Phase I Grant in 2003, CardioMag Imaging will now improve its digital "Automatic Classification of Magnetocardiograms (MCGs)." The results will assist cardiologists to rapidly arrive at more accurate diagnostics of the existence or absence of cardiac ischemia, utilizing the Company's innovative non-invasive heart-health scan system.

The results achieved in Phase I have already been implemented in CardioMag's unique cardiac diagnostic systems installed in various hospitals. The project will be led by Karsten Sternickel, Ph.D. and will involve other participants at CMI as well as outstanding scientists at Rensselaer Polytechnic Institute, Troy, NY and the Biomagnetism Institute at the Catholic University in Rome, Italy.

The project will use cardiac diagnostic patient data being generated at the Mayo Clinic (Rochester, MN.), Johns Hopkins Hospital (Baltimore, MD.) and Cedars-Sinai Medical Center (Los Angeles, CA.), as well as other key hospitals in Europe and China.

The Company's product manufacturing quality system is certified according to ISO (International Standards Organization), and its product carries the U.L. label, now paving the way for sales in Canada and Europe.

The recent sale and installation of CardioMag's 2409 MCG system, installed last year in a new cardiovascular hospital in China, kicked off the sales program in Asia. Sales in the U.S. will be paced by the approval of a pending FDA application. Hence, the Company's commercial introduction plans in 2004 early on rely more heavily on introduction into Europe and Asia.

CardioMag ImagingTM, Inc., a privately held company formed in 1999 to transition results from over 40 years of worldwide MCG research and development into commercially useful, attractive and cost-effective cardiac diagnostic products, based upon SQUID (Superconducting Quantum Interference Device) sensors, is positioning itself to provide lifesaving and medical cost containment solutions to the cardiac health care community by designing, manufacturing and marketing innovative imaging and medical diagnostic devices for early detection and follow-up treatment of heart disease.