



FOR IMMEDIATE RELEASE

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Bone Solutions Inc. (BSI) receives FDA 510(K) clearance for world's first and only *magnesium*-based bone void filler, *OsteoCrete™*

“This is a significant milestone in our strategy to generate a pipeline of products from our patented *magnesium*-based technology for surgeries at hospitals, clinics and other private surgical centers within the orthopedic industry.”

Tony Copp, Ph.D., EVP, COO Bone Solutions Inc.

DALLAS, June 8, 2009—**Bone Solutions Inc. (BSI)** announced today that it has received FDA 510(k) clearance for the first device in its technology pipeline—a proprietary bone void filler, *OsteoCrete™*, which represents a critical milestone in the Company's efforts to establish a platform for its patented *magnesium*-based technology. The Company expects this milestone to trigger its long-term plan to establish its platform as *the* biodegradable adhesive technology' for surgeries at hospitals, clinics and other private surgical centers within the orthopedic industry.

“BSI's Osteocrete™, now FDA-cleared for long-bone and pelvis applications, establishes a new landscape for expanding breakthroughs in orthobiologics,” said **Tom Lally**, President of BSI. “Most of today's leading devices in bone repair or replacement are *calcium*-based and do not exhibit the combination of features including compressive strength, expandability yielding a major binding quality. OsteoCrete™ is resorbable as it is replaced with bone during the window of healing. OsteoCrete™ is also injectable, osteoconductive, and is non-toxic. Because of the deficiencies of today's calcium-based bone void fillers and cements, which result in lower surgical success rates, the industry spends millions of dollars annually on new R&D in an attempt to invent

better calcium- based products, or *better-reinforcing* metallic devices such as nails, pins, plates, and screws—some of which are not bioabsorbable,” said Lally. “On the other hand, BSI’s *magnesium*-based technology along with other ingredients provides significant compressive strength and possesses Ph-neutral qualities that make it ideal as a delivery system for possible future applications.”

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The OsteoCrete™ Bone Void Filler device utilizes a similar material composite noted in the patent that the FDA cleared for long-bone and pelvis applications. **OF NOTE: The BSI technology began as a breakthrough rapid-set cement product with major binder qualities for patching highways that would stay tough in bitterly cold temperatures.** Rigorous laboratory and animal testing of OsteoCrete™ was completed at The Ohio State University by Dr. Alicia Bertone, Professor and Trueman Family Endowed Chair, Comparative Orthopedic Research Laboratories; as well as at NAMSA, Toledo, Ohio, and at Geneva Labs, Elkhorn, WI. Separate animal research with OsteoCrete™—conducted by Dr. Scott Rodeo of the Hospital for Special Surgery, New York City, and by Dr. Stephen Schendel at Stanford’s University Medical Center, Palo Alto, Calif.—confirmed OsteoCrete™’s biocompatible, osteoconductive, bioresorbable compressive strength qualities. The results of these studies are now published by Dr. Schendel in the *Journal of Craniofacial Surgery*, and by Dr. Rodeo in the *American Journal of Sports Medicine*. Dr. Bertone et al and Dr. Rodeo presented their separate results at the Orthopedics Research Society/American Academy of Orthopedic Surgeons (AAOS) annual scientific meetings (2008, 2009). BSI believes that its *magnesium*-based technology has the potential to improve the success rates of long-bone and pelvis surgeries that could revolutionize future bone and ligament surgical operations for human applications worldwide. The Company believes that future research with its

magnesium-based platform will, at a minimum, augment—and potentially replace—some of the screws, pins and plates now used for major knee and shoulder surgeries, for more rapid recoveries.

“Our patented *magnesium*-based technology is well-positioned as a platform for new approaches and new devices to be introduced into orthopedic surgery repair,” added Dr. Tony Copp, BSI’s EVP/COO. “Our strategy has been to first seek FDA clearance of OsteoCrete™ as a bone void filler by applying existing FDA guidance protocols for bone void fillers. In the future, we intend to seek further clearance of OsteoCrete™ for applications in cranial surgery, maxillofacial surgery, non-load-bearing spine applications, and as a bone anchor and bone cement. In the meantime, we intend to commence sales efforts for OsteoCrete™ as a bone void filler for human markets in long- bone and pelvis applications,” said Dr. Copp.

“The fact is that we have had discussions with companies that comprise more than 90 percent of the orthopedic industry worldwide to explore the opportunity for strategic alliances. Initial target vertical markets include all extremities, maxillofacial/cranial, shoulder- and knee-related surgical procedures, and initially non-load-bearing spinal applications and musculoskeletal allograft uses. These will require future FDA and other governmental regulatory certification for global sales,” said Tom Lally.

FDA-cleared ***OsteoCrete™ Bone Void Filler*** is a biocompatible *magnesium*-based bone void filler that is both **injectable** and **moldable**. It is indicated for bony voids or defects that are not intrinsic to the stability of the bony structure. OsteoCrete™ is intended to be placed or injected into bony voids or gaps of the skeletal system (the long bone and pelvis). These defects may be surgically created osseous defects or osseous defects created from traumatic injury to the bone. OsteoCrete™ provides a bone void filler that resorbs and is replaced with bone during the healing process.

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BSI's *magnesium*-based technology, including OsteoCrete™, is protected by a seminal U.S. patent, 'Magnesium Phosphate-Based Adhesive for Bone, Ligament and Tendon Repair and Stabilization,' and a method for applying the composition during surgery. An additional four patents have been filed.

About Bone Solutions Inc.

Bone Solutions Inc. ('BSI') (www.bonesolutionsinc.com) intends to establish its magnesium-based platform as the 'one stop bone-, tendon- and ligament-injectable, biodegradable adhesive technology' for surgeries at hospitals, clinics and other private surgical centers within the orthopedic industry. The Company believes it is revolutionizing a new solution for orthopedic surgeons for human uses with a *magnesium*-based platform that may attach—for the first time in orthopedic medical history—bone to bone, as well as ligaments and tendons to bone.

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