

**For Immediate Release:** March 1, 2005  
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## **CARDXX ANNOUNCES COMPLETION OF FINANCIAL AUDIT AND MOVES TO FORM 10-SB FILING TO REGAIN REPORTING STATUS**

Englewood, Colorado - CardXX, Inc. (CXCQ.PK) a leading smartcard manufacturer, today announced that the Company has completed its financial audit and has retained Pryor, Cashman, Sherman, and Flynn of New York City to complete its Form 10-SB filing with the Securities and Exchange Commission (SEC). The Company intends to file its Form 10-SB to regain its public reporting status with the SEC and immediately qualify for listing on the OTC Bulletin Board.

"It has always been part of our financial plan to gain listing on the OTC Bulletin Board, commented Phil A Worack, Cardxx's Chairman and CFO. "It is in the best interest of our shareholders and provides an excellent trading platform from which to grow our financial base", Worack said.

CardXX is in the business of manufacturing and licensing secure and intelligent Smart Cards using its proprietary, patented low-temperature low-pressure encapsulation process known as the Reaction Assisted Molded Process (RAMP). RAMP is used to securely integrate a RFID chip, an integrated circuit, and other electronic components including batteries into a small form factor Smart Card, Key Fob or Smart Tag. The Company is targeting opportunities in the Medical/Healthcare with indoor positioning solutions (IPS) providers developing active-RFID location tags, as well as, working with point of sale (POS) solutions providers in the retail key fob market.

### **ABOUT CARDXX**

CardXX provides secure encapsulation of advanced electronics through manufacturing and licensing secure and intelligent Smart Cards using its proprietary, patented encapsulation process known as the Reaction Assisted Molded Process (RAMP). The Company's website is [www.cardxx.com](http://www.cardxx.com).

The Statements contained in this release that are not purely historical are forward-looking statements within the Private Securities Litigation Reform Act of 1995 and are subject to various risks, uncertainties and other factors that could cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Forward looking statements include, but are not limited to, those relating to demand for the Company's services, expected demand for our services and expectations regarding our revenues, the Company's ability to continue to utilize goodwill, to continue to increase gross margins, to achieve and manage growth, to develop and market new applications and services, risks relating to the acquisition and integration of acquired businesses, demand for new services and applications, timing of demand for services, industry strength and competition and general economic factors. Investors are directed to consider such risks, uncertainties and other factors described in documents filed by the Company with the Securities and Exchange Commission.