

**FOR IMMEDIATE RELEASE**

**TSX Venture Symbol: EQT**

## **EquiTech Corporation Announces Private Placement**

**Edmonton, Alberta, May 6, 2004** - EquiTech Corporation (TSX-V:EQT) ("EquiTech"), a specialty pharmaceutical company announced a proposed non-arm's length private placement of an additional 2,500,000 units at \$0.20 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.30 for a period of 18 months from the closing date. The subscriber is Foundation Equity Corporation, a company managed by EquiTech's Chairman of the Board. The sale of units will not be completed until May 26, 2004 due to restrictions placed on EquiTech in connection with the recently completed rights offering. The proceeds have been placed in trust and will be releasable to EquiTech on May 26, 2004, provided there has been no adverse material change in the business of EquiTech and provided all regulatory approval is obtained. This private placement is subject to the TSX Venture Exchange's approval.

"This financing is under the same terms as EquiTech's recent rights offering. We are pleased to have a strong financial partner like Foundation Equity Corporation join us as a significant shareholder," said EquiTech President James Chivers-Wilson.

"EquiTech is a unique pharmaceutical company that reformulates products already on the market to meet unsatisfied consumer needs at modest cost and a short time frame to commercialization. They have been making excellent progress and we are pleased to provide financing to help move the company to the next milestone," said Kerry Brown, President of Foundation Equity.

Proceeds from the private placement will be primarily used to conduct a clinical study in humans experiencing pain from wisdom tooth extraction, in order to evaluate the absorption as well as gather preliminary information on the pain relief effectiveness of ZAG-1701.

### **About EquiTech Corporation**

EquiTech's lead compound, ZAG-1701, has been developed using EquiTech's patent-pending absorption enhancing technology. As demonstrated using EquiTech's animal model, ZAG-1701 has the potential to be more rapidly absorbed into the bloodstream which EquiTech anticipates may result in more rapid onset of pain relief when compared to existing over-the-counter pain relief medications that the company has tested. Based on publicly available information, the worldwide pain medication market was valued at US\$38 billion (2002) and is expected to nearly double to \$75 billion by the year 2010. EquiTech trades on the TSX Venture Exchange under the symbol EQT and following the closing of this private placement will have approximately 14.2 million common shares outstanding.

### **About Foundation Equity Corporation**

Foundation Equity Corporation is an Edmonton-based venture capital company whose focus is on investing in high-growth emerging technology companies.

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