

Covalon Unaware of Any Material Change

MISSISSAUGA, Ontario--(BUSINESS WIRE)--August 7, 2018--At the request of the Investment Industry Regulatory Organization of Canada ("IIROC"), Covalon Technologies Ltd. ("Covalon" or the "Company") wishes to confirm that the Company's management is unaware of any material change in the Company's operations that would account for the recent increase in market activity. Management of the Company does not believe, based on its communications with the Company's partner in Saudi Arabia, that the reported dispute between the Government of Canada and the Government of Saudi Arabia will have a negative impact on Covalon's business in the Middle East.

News reports have indicated that the Government of Saudi Arabia is suspending "new" contracts with Canadian firms. Covalon announced on May 7th, 2018 that it had been awarded a contract for an estimated \$100 million dollars over a three-year period from the Executive Board of Health Ministers' Council for Gulf Cooperation Council States which is comprised of 6 countries in the Middle East including Saudi Arabia. The Company has no reason to believe that existing awarded contracts for Covalon's life-saving medical products would be affected.

About Covalon

Covalon Technologies Ltd. researches, develops and commercializes new healthcare technologies that help save lives around the world. Covalon's patented technologies, products and services address the advanced healthcare needs of medical device companies, healthcare providers and individual consumers. Covalon's technologies are used to prevent, detect and manage medical conditions in specialty areas such as wound care, tissue repair, infection control, disease management, medical device coatings and biocompatibility. To learn more about Covalon, visit www.covalon.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "estimate", "expect", "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These forward-looking statements involve risk and uncertainties, including the difficulty in predicting product approvals, acceptance of and demands for new products, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, the regulatory environment, fluctuations in operating results and other risks, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Many risks are inherent in the industry; others are more specific to the Company. Investors should consult the Company's ongoing quarterly filings for additional information on risks and uncertainties relating to these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. The Company assumes no obligation to update or alter any forward-looking statements whether as a result of new information, further events or otherwise.

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