

## Covalon Announces Change of Auditors and Amends and Restates Its Rolling Stock Option Plan

MISSISSAUGA, Ontario--(BUSINESS WIRE)--January 24, 2019--Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV; OTCQX: CVALF), an advanced medical technologies company, announced today that it has appointed PricewaterhouseCoopers LLP ("Successor Auditor") as its auditor. At the request of the Company, BDO Canada LLP ("Former Auditor") resigned as the auditor of the Company, effective January 21, 2019, and the Board of Directors of the Company appointed the Successor Auditor as the Company's auditor, effective January 21, 2019, until the next Annual General Meeting of the Company.

"We would like to thank BDO Canada LLP for their expertise and guidance over the last 15 years, and we look forward to PricewaterhouseCoopers LLP playing an important role as Covalon's auditors as we enter the next stage of our growth," said Brian Pedlar, President and CEO of Covalon.

There were no reservations in the Former Auditor's audit reports for the period commencing at the beginning of Covalon's two most recent financial years and ending at the date of the resignation of the Former Auditor. There are no "reportable events" (as the term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")) between the Company and the Former Auditor.

In accordance with NI 51-102, the notice of change of auditor, together with the required letters from the Former Auditor and the Successor Auditor, have been reviewed by the board of directors of the Company and filed on SEDAR.

Covalon also announced today that its Board of Directors has decided to amend and restate the Company's rolling stock option plan (the "2007 Option Plan") in order to align the provisions of the 2007 Option Plan with current market standards and the requirements of the TSXV, resulting in an Amended and Restated Stock Option Plan (the "A&R Plan").

The maximum number of Common Shares reserved for issuance, in the aggregate, under the A&R Plan (and under any other share compensation arrangements of the Company) is ten percent of the aggregate number of Common Shares, which are outstanding from time to time. These options may be granted to directors, officers, employees, and consultants of the Company from time to time.

The A&R Plan is subject to the approval of the TSX Venture Exchange ("TSXV") and will be presented for Shareholder approval at the Company's upcoming Annual Shareholders' Meeting, scheduled to be held on Thursday March 7, 2019.

### 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 infection control, vascular access, surgical procedures, advanced wound care, and medical device coatings. To learn more about Covalon, visit our website at [www.covalon.com](http://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 completion of integration of the AquaGuard acquisition, 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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