Covalon Secures National Research Council Funding for Antimicrobial Coating of Orthopaedic Implants

MISSISSAUGA, ON, June 29 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSX-V: COV), an advanced medical technology company, is pleased to announce that it has been approved for research funding from the National Research Council of Canada that will assist Covalon in the commercialization of its antimicrobial coatings for orthopaedic implants fabricated from metal. The funding from the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP) is for approximately $150,000, in addition to both technical and business oriented advisory services.

"As a global leader of advanced medical coatings, Covalon appreciates the financial support provided by the National Research Council for the commercial development of this unique coating application," stated Dr. Val DiTizio, Covalon's Chief Scientific Officer. "This funding will assist Covalon in addressing the issues of serious infections and device failure that face many medical companies in the large orthopaedic implant market."

The market for orthopaedic implants and fixtures is growing rapidly due to a large and aging population, with an estimated three million procedures performed annually in the United States alone. Without an antimicrobial coating for orthopedic hardware, patients undergoing medical device implants are at risk of acquiring serious infections causing device failure with debilitating consequences. Other medical devices coated with antimicrobial technology have demonstrated dramatically improved patient outcomes and lower treatment costs through the reduction of serious infections.

"The National Research Council funding will allow Covalon to apply our coating technologies on orthopedic implants. The failure of these implants due to infection is catastrophic for many patients, and can be life-threatening," said William Jackson, Covalon's Chief Business Officer. "The ability to decrease these adverse events will revolutionize the orthopedic industry".

About Covalon

Covalon Technologies Ltd. is a unique medical technologies company engaged in the research, development, and commercialization of advanced tissue repair applications, infection control, and specialized coatings for medical and consumer products. Together, our technology platforms, wound care products, and consulting services deliver a suite of cost-effective solutions to help our customers achieve product differentiation through improved patient outcomes. Our technologies address important healthcare issues such as infection control, medical device biocompatibility and healthy tissue repair. To learn more about Covalon, visit our website at www.covalon.com

NRC-IRAP provides a range of both technical and business-oriented advisory services along with potential financial support to qualified innovative Canadian small and medium-sized enterprises.

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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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