

## Covalon Announces Strategic Alliance and Investment by Mitec Telecom

- Will collaborate on development of new biosensors and telehealth technologies with wireless capabilities
- Mitec invests \$2,496,000 for an approximate 9.9% equity interest in Covalon at \$0.30 per share

MISSISSAUGA, ON, Aug. 24, 2011 /CNW/ - August 24, 2011 - /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced the signing of a strategic alliance agreement with Mitec Telecom Inc. (TSX: MTM), a leading designer and manufacturer of mobile wireless components.

Covalon and Mitec have agreed to leverage the experiences of each other by cooperating on the development and commercialization of new-generation biosensors and telehealth technologies that incorporate wireless capabilities. The use of these new wireless technologies and sensors are destined to become one of the hottest segments of the healthcare industry, where they can play key roles in dramatically transforming patient monitoring, infection control, post-operative care and drug delivery, among others.

Mitec has also invested \$2,496,000 into Covalon, purchasing 8,320,000 shares at \$0.30 per share or approximately 9.9% of Covalon on a post-transaction basis. Final approval for the private placement has been received from the TSX Venture Exchange.

Brian Pedlar, Covalon's President and CEO said, "Covalon recently discovered that our portfolio of patents and intellectual property allow us to develop an extremely unique approach to telehealth and biosensor technology. When combined with some of the wireless capabilities that Mitec is strong in, it has the potential to allow Covalon to introduce several exciting new technologies and formulations to the medical and consumer marketplaces. That is why Covalon is pleased to enter into a strategic relationship with Mitec."

Jeffrey Mandel, President and CEO of Mitec said, "This is exactly the kind of proprietary, valued-added market position we are seeking to grow at Mitec. We look forward to working with Covalon on the many ways we can combine our expertise. We are excited to share information on how we can jointly develop ways to improve healthcare and patient experiences using wireless technology." As part of the strategic alliance, Jeffrey Mandel will join Covalon's Board of Directors.

### 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 our website at [www.covalon.com](http://www.covalon.com)

### About Mitec Telecom Inc.

Mitec is a leading designer and provider of radio frequency (RF) products for the telecommunications and satellite communications industries, as well as a variety of other sectors. Mitec sells its products worldwide to network providers for incorporation into high-performing wireless networks used in voice and data/internet communications. Headquartered in Montreal, Canada, Mitec also operates a facility in California. Mitec is listed on the Toronto Stock Exchange under the symbol MTM. On-line information about Mitec is available at [www.mitectelecom.com](http://www.mitectelecom.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 risks 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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