

Covalon Announces Closing Of Non-Brokered Private Placement And Exercise Of Warrants

MISSISSAUGA, Ontario--(BUSINESS WIRE)--Jun. 1, 2017-- Covalon Technologies Ltd. (the "**Company**" or "**Covalon**") (TSXV: COV), an advanced medical technologies company, today announced that, further to its press release dated May 12, 2017, it has completed a non-brokered private placement offering comprised of 1,190,671 units (each, a "**Unit**") of the Corporation at a price of \$1.96 per unit for aggregate gross proceeds of \$2,333,715 (the "**Offering**"). Additionally, 775,000 previously issued Common Share purchase warrants have been exercised for aggregate proceeds of \$775,000.

Each Unit is comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to acquire an additional Common Share at a price of \$2.30 per share for a period of three years from the closing date. Insiders participated in the Offering for an aggregate of 765,351 Units for gross proceeds of \$1,500,088. All securities issued pursuant to the Offering will be subject to a hold period expiring October 2, 2017. Proceeds of the Offering will be used by Covalon to develop and commercialize new wound care products, expand international distribution channels and for general working capital.

No commission or finder's fee was paid in connection with the Offering. The Offering has been approved by the TSX Venture Exchange.

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.

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, the closing of proposed transactions, 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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