



Source: Mitec Telecom Inc.
Contact: Mr. Jeffrey Mandel
President, Chief Executive Officer and Chairman of the Board of Directors
jeffrey.mandel@mitectelecom.com
Tel.: (514) 694-9000

MITEC ANNOUNCES STRATEGIC ALLIANCE AND INVESTMENT IN COVALON TECHNOLOGIES LTD PROVIDING MITEC ACCESS TO NEW HEALTHCARE MARKETS

Montreal, August 24, 2011 - Mitec Telecom Inc. ("Mitec") (TSX: MTM), a leading designer and manufacturer of mobile wireless components, today announced that it has entered into a strategic relationship with Covalon Technologies Ltd ("Covalon") (TSXV: COV), a healthcare company focused on developing medical technologies that improves patient outcomes. Use of wireless technology is becoming widespread in the healthcare industry where it can play a key role in the areas of patient monitoring, infection control, post operative care and drug delivery, among others.

Covalon has developed and commercialized patented therapeutic technologies with a proven strategic advantage in the healthcare industry which can benefit from Mitec's knowledge base and experience. Covalon has a proven track record in identifying, developing and commercializing products that benefit the medical industry. It currently has plans to introduce several promising new technologies and formulations to the medical and consumer marketplace.

Working together, Mitec and Covalon have identified a number of ways in which Mitec can support Covalon's product lines and technologies through the use of wireless technology. Covalon will also benefit from working with an established Canadian wireless technology player that has deep expertise, top tier customers and a global presence in the wireless industry.

"This strategic relationship will provide Mitec with exposure to a team of highly credible and knowledgeable medical researchers, engineers and scientists who have an established track record of developing patented technologies, and commercializing and marketing them through a collaborative and entrepreneurial approach," stated Jeffrey Mandel, President and CEO of Mitec. "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's management team and employees on the many ways we can combine our expertise. We are also excited to share information on how we can jointly develop ways to improve healthcare and patient experiences using wireless technology", he said.

Mitec has agreed to invest \$2,496,000 in Covalon by way of a private placement. Upon closing the private placement, Mitec will own approximately 9.9% of Covalon's issued and outstanding shares. As part of the strategic alliance, Jeffrey Mandel will join Covalon's Board of Directors.

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.

About Covalon Technologies Ltd

Covalon 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 its website at www.covalon.com.