

FOR IMMEDIATE RELEASE

**AQUARIUS SURGICAL TECHNOLOGIES INC. (formerly AQUARIUS COATINGS INC.)  
REPORTS CLOSING OF ACQUISITION OF SURGICAL LASERS INC., APPOINTMENT OF  
NEW BOARD MEMBERS AND DEBT SETTLEMENT.**

Halifax, Nova Scotia, March 21, 2017; **AQUARIUS SURGICAL TECHNOLOGIES INC. (formerly Aquarius Coatings Inc.) (the “Corporation” or “Aquarius”)** today reports on further material changes that have taken place over the past few days.

- Effective March 17, 2017, the Corporation closed the acquisition of all of the issued shares of Surgical Lasers Inc. (“SLI”), as a result of which SLI is now a wholly-owned subsidiary of the Corporation. The Acquisition of SLI had been approved by the shareholders of Aquarius at a Special General Meeting held on November 21, 2016. The Purchase Price for the Acquisition was fixed at \$6,131,605, which was satisfied by the issuance of 4,597,704 fully paid common shares and 1,532,901 Series “A” Special Shares (together the “Consideration Shares”). The number of common shares reflects the consolidation of the common shares that was approved by shareholders on November 21, 2016, and made effective as of February 24, 2017 when Articles of Amendment were filed.

The Series “A” Special Shares are “performance shares”, which are convertible into common shares on a one-for-one basis in the event that specific milestones are reached, and are redeemable by the corporation at \$0.0001 each in the event that the specific milestones are not met. The milestones specified are directly linked to EBITDA financial performance over a five year period, as follows:

<b>MILESTONES</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
<b>EBITDA</b>	\$284,365	\$3,440,632	\$7,128,544	\$11,291,880	\$15,300,840
<b>Convert or Redeem</b>	20%	20%	20%	20%	20%

The terms for the Conversion or Redemption of the Series “A” Special Shares provide that the EBITDA Milestones must be achieved by the end of each financial year, commencing April 1, 2017, as certified by the Corporation’s independent Auditors, so that if a Milestone is achieved, then 306,521 Series “A” Special Shares will be converted, for no further consideration, into common shares. In the event that a Milestone in any year is not reached in that specific year, then the Series “A” Special Shares that would have been released on achievement of the Milestone for that year will be held for a further period of one year, so that if at the end of the next financial year the Milestone for that year and the immediately preceding year has been reached on a cumulative basis, then both instalments of Series “A” Special Shares will be Convertible into common shares, but if the total EBITDA for both years, on a cumulative basis, has not been achieved, then the instalment relating to the former financial year will be redeemed by the Company and the instalment relating to the latter year may be carried forward to the next financial year, **provided** that no amount may be carried forward beyond the end of the fifth financial year.

All of the Common Shares and the Series “A” Special Shares issued are currently placed In Escrow, with provisions for release, commencing on the date upon which the Corporation’s common shares are accepted for Listing on a stock exchange in Canada on the following basis:

<b>Release Dates</b>	<b>Percentage of Total Escrowed Securities to be Released</b>		<b>Total Number of Escrowed Securities to be Released</b>	
	<b>Common</b>	<b>Series A</b>	<b>Common</b>	<b>Series A</b>
On the Listing Date	10%	10%	459,870	153,290
6 months after the Listing Date	15%	15%	689,805	229,935
12 months after the Listing Date	15%	15%	689,805	229,935
18 months after the Listing Date	15%	15%	698,805	229,935
24 months after the Listing Date	15%	15%	689,805	229,935
30 months after the Listing Date	15%	15%	689,805	229,935
36 months after the Listing Date	15%	15%	680,809	229,936
	<b>100%</b>	<b>100%</b>	<b>4,598,704</b>	<b>1,532,901</b>

The business of SLI is the development, sale, distribution, marketing, and exploitation of laser-driven technologies for use in surgical environments, principally in the field of urology. In particular, SLI has entered into two exclusive Distribution Agreements, covering effectively all countries in North America, pursuant to which it has exclusive rights over a multi-diode laser system and related fibre-optic delivery devices used principally for minimally invasive treatment of Benign Prostatic Hyperplasia.

- Gordon Willox, the founder of SLI, is holder of all of the Consideration Shares. He has joined the Board of Directors of Aquarius, and has been appointed Managing Director, which position he will also hold in the management of SLI.
- Messrs. Michael G. Ryan and J. Thomas MacQuarrie Q.C. have retired from the Board of Directors of Aquarius, but will remain available in the future to provide valuable advice and assistance to the Corporation as consultants.
- Dr. Robert Francis, Founder and Director of the Medcan Clinic in Toronto, and Dr. Stanley Swierzewski III, Associate Professor of Clinical Urology at Tufts University in Boston, have joined the Board of Aquarius and will add the considerable value of their extensive knowledge and experience to the Management Team.
- Effective March 20, 2017, the Corporation closed on a Debt Settlement that had been approved by a vote of disinterested shareholders at the Special General Meeting of shareholders held on November 21, 2016, whereby \$3,800,000 of debt owed to Forest Lane Holdings Limited was settled by issuance of 3,800,000 fully paid common shares issued from the Treasury of the Corporation.

The Information Circular describing the matters that came before the Annual and Special General Meeting of Shareholders on November 21, 2016, together with the Corporation's Audited Financial Statements and MD&A for the year ended March 31, 2016, and unaudited Financial Statements and MD&A's for all interim Quarterly Periods, and copies of Press Releases and Material Change Reports are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com)

The Corporation's shares are not currently listed.

For further information, please contact:

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**Cautionary Statement Regarding Forward-Looking Statements:**

This press release contains forward-looking statements regarding the business of the Corporation. Actual developments may differ materially from those contemplated by these statements depending upon, among other things, the ability of the Corporation to achieve market success and decisions made by regulators. The forward-looking statements contained in this press release represent the Corporation's views and expectations as of the date of this release and should not be relied upon as representing its views and expectations at any subsequent date.