

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

PACIFIC THERAPEUTICS LTD. (the "Company")
1023 - 409 Granville Street Vancouver, BC V6C 1T2
(604) 738-1049

Item 2 Date of Material Change

State the date of the material change.

July 5, 2012

Item 3 News Release

A news release was disseminated July 5, 2012 through various other approved public media and was subsequently SEDAR filed with the securities commissions of British Columbia and Ontario

Item 4 Summary of Material Change(s)

The Company issued a total of 475,000 options to purchase common shares to directors, officers and consultants under the 2012 stock option plan as approved at the issuers previous annual general meeting.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The 475,000 options may be exercised at a price of \$0.10 per share for a period of 5 years. The issuance of the options is subject to regulatory approval.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Douglas H. Unwin President & CEO
(604) 738-1049

Item 9 Date of Report

July 11, 2012