



INITIATION OF CLINICAL TRIAL

VANCOUVER, BRITISH COLUMBIA- (August 22, 2012) – Pacific Therapeutics Ltd. (PT.CNSX) (the “Company”) is pleased to announce that enrollment of test subjects for its initial clinical trial has been completed and initial dosing of healthy individuals commenced on August 22, 2012 under the clinical trial protocol submitted to the **Central Drugs Standard Control Organization** (India’s pharmaceutical regulatory authority)

The study protocol calls for dosing of 12 normal healthy adult males. This an open label, non randomized, three treatment, three period single dose study. Once enrolment is completed the study should only take 1 month to complete. The lack of any drug-drug interaction will be a positive result and signal the continued clinical development of PTL-202.

The study is being conducted by CRBio. CRBio is a 'full service' contract research organization. It is set up in a centrally located area in Hyderabad, India. The facility is spread over 20,000 sq.ft. in well laid out areas with operations such as Clinical, Bioanalytical, Pharmacokinetic & Statistical, QA & RA, QC. With 4 full time doctors plus paramedical staff, the clinic consists of 72 beds and CRBio, a 3,000 volunteer database and a state of the art bioanalytical laboratory. CRBio as an independent contractor has completed over 150 BA/BE (Bioavailability Bioequivalence) projects similar to the PTL-202 drug drug interaction study.

ABOUT PACIFIC THERAPEUTICS LTD.

The Company’s strategy includes reformulating approved drugs to increase efficacy and patient compliance, completing the further clinical testing, manufacturing and other regulatory requirements sufficient to seek marketing authorizations. This strategy may reduce the risk, time and cost of developing therapies for fibrosis by avoiding the risks associated with basic research and using compounds with unknown safety and toxicity profiles. The company’s lead drug candidate is PTL-202 a combination of approved drugs focused on treating fibrosis such as Idiopathic Pulmonary Fibrosis and Liver Cirrhosis.

FORWARD LOOKING STATEMENTS

Certain statements included in this press release constitute forward-looking information or statements (collectively, “forward-looking statements”), including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “may”, “should” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This press release contains forward looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. The Company does not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

On Behalf of the Board of Directors

/s/ Doug Unwin

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