

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

PACIFIC THERAPEUTICS LTD. (the “Company”)
Suite 1023 –409 Granville St. Vancouver, BC V6C 1T2
Telephone No. (604) 738-1049

Item 2 Date of Material Change

September 13 2012

Item 3 News Release

A news release was disseminated September 19, 2012, posted to the CNSX website and was subsequently SEDAR filed with the securities commissions of British Columbia and Ontario.

Item 4 Summary of Material Change(s)

The Company announced that it completed the second tranche of its previously announced private placement financing of up to 3,333,333 Units at a price of \$0.15 per Unit for aggregate proceeds of CAD \$500,000.

The Company also announced that it entered into an agreement with Gale Capital Corp. to provide Business Consulting and Investor Relations services subject to regulatory approval. The terms of the services provided are for one year and maybe terminated by either party after 6 months.

4.1 Full Description of Material Change

The second tranche consisted of 741,666 units at a price of \$0.15 per unit for aggregate proceeds of CAD \$111,250. When combined with the first tranche, the Company has issued a total of 1,531,002 units for gross proceeds of \$229,650.

Each unit consists of one common share in the capital of the Company and one share purchase warrant (the “warrants”), each warrant is exercisable to acquire an additional common share for a period of 2 years from the closing date at a price of \$0.22

The Company intends to proceed with the balance of the offering and may pay finder’s fees in cash, units or warrants upon the final closing of the Private Placement.

4.2 Disclosure for Restructuring Transactions

Not applicable.

Item 5 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 6 Omitted Information.

Not applicable.

Item 7 Executive Officer

Doug Unwin,
President & CEO

604-738-1049
Item 8 **Date of Report**

September 24, 2012