# EUROPEAN PATENT OFFICE, GRANTS PATENT FOR PTL-202, A TREATMENT FOR IDIOPATHIC PULMONARY FIBROSIS, A $1.1 BILLION OPPORTUNITY

**VANCOUVER, BC, Canada – July 7, 2014 – Pacific Therapeutics Ltd. (CSE: PT) (OTC: PCFTF) (Frankfurt: 1P3) (the "Company")** Worldwide, there are over 5,000,000 people living with Idiopathic Pulmonary Fibrosis (IPF), (IPF Coalition). IPF therapy sales across the US, France, Germany, Italy, Spain, and the UK to rise to over $1.1 billion by 2017, at a Compound Annual Growth Rate (CAGR) of 86.6% (RnR Market Research, 2013). IPF kills more patients per year than either prostate or breast cancer.

Pacific Therapeutics Ltd. lead drug candidate for fibrosis (progressive scarring of the organ), PTL-202 is a combination of an FDA approved drug and an amino acid which is an extremely potent and important antioxidant.

The Company is pleased to announce that the European Patent Office has granted the Company's patent COMPOSITIONS AND METHODS FOR TREATING FIBROPROLIFERATIVE DISORDERS. This patent covers the composition and use of the combination of drugs used in the Company's lead product for treatment of IPF and includes claims for the use of the combination to treat liver fibrosis, kidney fibrosis, uterine fibrosis and peripheral arterial disease.

The patent will now move into the validation phase. In the validation phase the Company will select the countries were the patent will be validated. Once the patent has passed the validation phase the patent will be valid in that country.

At the recent American Thoracic Society 2014 conference researchers explained that Indeed, while clinical trials with new treatments have been shown to slow deterioration of lung function, none have been shown to improve lung function over time. The hope by those on the frontline of IPF research is to eventually reverse the lung scarring and loss of function.

*"It's estimated that 45 % of all deaths are related to fibrotic changes" World Health Organization Feb, 2008.*

In addition to the $1.1 billion IPF market opportunity, PTL-202 may be effective as a treatment for Liver Cirrhosis a $1.56 billion global market opportunity in 2010, that is expected to grow to $2.03 billion by 2017 (Global Data, Feb, 2011). "This growth is primarily attributed to the increasing prevalence of Liver Cirrhosis due to increase in alcoholic liver disease, nonalcoholic steatohepatitis (NASH) and the large group of patients who were originally infected with hepatitis virus, who will be entering their third decade of chronic liver infection" (Global Data, Feb, 2011).

**ABOUT PACIFIC THERAPEUTICS LTD.**

The Company's lead programs focus on erectile dysfunction and diseases of excessive scarring (fibrosis). The Company's strategy includes reformulating approved drugs to increase efficacy and patient compliance, while reducing side effects, as well as 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 by avoiding the risks associated with basic research and using compounds with unknown safety and toxicity profiles.

In 2011 the total market for drugs to treat erectile dysfunction ("ED") exceeded $5 billion. Pacific Therapeutics Ltd. has reformulated an approved drug to treat ED using the Company's proprietary oral dissolving technology ("sublingual formulation"). This is the first treatment to be developed by the Company using its sublingual platform technology.

Sales of the market leader alone exceeded $1.9 billion in 2011. The sublingual formulation improves on existing drugs for erectile dysfunction potentially acting faster and with fewer side effects. As large pharmaceutical companies lose their patents on these drugs the opportunity has developed for innovative formulations of drugs for ED. This is a very exciting development for Pacific Therapeutics Ltd. as it shortens the time to market for the Company's first product and may add significantly to future revenues.

The Company plans to build on the already significant development of the sublingual treatment with the initiation of a pivotal Bioequivalence trial. The trail design calls for the enrolment of 24 individuals and is planned take only 4 months for completion. With successful results from this trial the Company will begin the application for marketing approval.

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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.

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undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.