EXPIRY OF CHINESE PATENT FOR ERECTILE DYSFUNCTION DRUG OPENS ADDITIONAL MARKET OPPORTUNITY

VANCOUVER, BC, Canada – July 11, 2014 – Pacific Therapeutics Ltd. (CSE: PT) (OTC: PCFTF) (Frankfurt: 1P3) (the "Company") The potential market for the Company's erectile dysfunction (ED) treatment is set to grow with the expiry of the Chinese patent on the leading ED treatment set for July.

The Investigation Report on China Sildenafil Market, 2009-2018 by China Research and Intelligence reports that "there are over 50 million males suffering from sexual dysfunction in China. Statistics indicates that more than 60% of males aged above 35 in China have sexual dysfunction of different degrees. Consequently many pharmaceutical enterprises are very concerned about male sexual dysfunction drug market."

The Chinese market for ED drugs according to analysts, is currently worth about 1 billion yuan a year. The market is said to have huge untapped potential that perhaps could be reached if pill prices were reduced.

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 and may be a very attractive alternative to generics in China.

Worldwide 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 as will happen in China this month the opportunity has developed for innovative formulations of drugs for ED.

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.

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 recently released the results of its pre-clinical studies of PTL-202. PTL-202 and its separate constituents were tested in 5 experiments in a recognized mouse model of pulmonary fibrosis. These studies provided the data required for the recently granted European patent covering the proprietary technology utilized in PTL-202.

Moreover, we found no deaths or abnormal reactions with a daily administration of PTL-202 during the experiments.

The results suggest PTL-202 is safe and effective agent for the treatment of pulmonary fibrosis.

"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).

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