PACIFIC THERAPEUTICS ANNOUNCES FIRST NINE MONTHS 2014 FINANCIAL RESULTS

VANCOUVER, BC, Canada –December 2, 2014 – Pacific Therapeutics Ltd. (CSE: PT) (OTCBB: PCFTF) (Frankfurt: 1P3) (the "Company") has completed a phase 1 trial of its lead product for fibrosis, PTL-202, (a $4 billion market opportunity) with positive results and is advancing its sublingual formulation for erectile dysfunction (ED) to a pivotal bioequivalence trial.

The Company is pleased to report financial results for the nine months ended September 30, 2014. Amounts unless otherwise specified, are expressed in Canadian dollars and presented under International Financial Reporting Standards ("IFRS").

First Nine Months 2014 Financial and Operational Highlights

- On January 6, 2014, the Company extended the expiry date of 2,473,334 share purchase warrants exercisable to purchase one common share of the Company at an exercise price of $ $0.15 per share from the original expiry date of January 31, 2014 to July 31, 2014. The warrants were issued in connection with the Company's ISA financing in 2011.
- On January 6, 2014, the Company extended the expiry date 600,000 share purchase warrants exercisable to purchase one common share of the Company at an exercise price of $0.15 per share for the original expiry date of May 16, 2014 to November 16, 2014. The warrants were issued in connection with the Company's ISA financing in 2011.
- On January 6, 2014, the Company extended the expiry date 60,000 share purchase warrants exercisable to purchase one common share of the Company at an exercise price of $0.25 per share from the original expiry date of February 28, 2014 to August 28, 2014. The warrants were issued in connection with the private placement in February 28, 2011.
- On January 10, 2014, the Company engaged Gale Capital Corp. for investor relation services. The term of the contract is for one year for fees of $10,000 lump sum up-front payment and $2,500 per month thereafter and may be terminated by either party after three months.
- On January 10, 2014, the Company granted 400,000 stock options to advisors and consultants of the Company to purchase common shares of the Company for proceeds of $0.10 per common share expiring January 10, 2017.
- On March 7, 2014 the Company issued 525,000 stock options to directors, officers, advisors and consultants of the Company to purchase common shares of the Company for proceeds of $0.10 per common share expiring March 7, 2019.

- On May 7, 2014 the Company announced that it had entered into an advisory agreement with TriPoint Global Equities LLC ("TriPoint"), a FINRA member firm. TriPoint is a global investment bank focused on assisting fast growing companies. The Company issued to TriPoint warrants to purchase 700,000 shares at a price of $0.10 per share. The warrants expire on May 6, 2016
- On June 14, 2014 the Company issued 500,000 options to purchase common shares to a director and officer under the 2013 stock option plan as approved at the Company's previous annual general meeting. The options may be exercised at a price of $0.06 per share for a period of one (1) year.
- On July 7, 2014 the Company announced 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.
- On July 9, 2014 the Company 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.
- On July 16, 2014 the Company signed a term sheet with Vodis Innovative Pharmaceuticals ("Vodis") agreeing to work with Vodis on the development of therapies based on extracts from cannabis plants.

Summary Nine Months 2014 Results

The net loss and comprehensive loss from operations of $459,362 for the nine months ended September 30, 2014 increased when compared to the loss and comprehensive loss from operations of $432,079 for the nine months ended September 30, 2013. The increased loss is primarily due to an increase in advertising and promotion, insurance, share based payments and transfer agent fees in the nine month period ended September 30, 2014 as compared to the nine month period ended September 30, 2013. These increased expenses were offset by a decrease in bank charges and interest and investor relations expenses in the nine months ended September 30, 2014.

The Issuer's Cash flows from financing activities during the nine months ended September 30, 2014 consisted of increase of a promissory note and interest of $19,100. In the nine months ended September 30, 2013 the Company received $173,063 from issuance of common shares and repaid a demand loan of $ 45,553 with receipts from a promissory note and warrants generating $ 20,780. In the three months ended September 30, 2012 the Company received $118,401from issuance of common shares.

As at September 30, 2014, the Issuer had an unlimited number of authorized common shares with 37,456,825 common shares issued and outstanding.

Subsequent to September 30, 2014 the Company issued 1,520,000 units for gross proceeds of $76,000. 1,520,000 warrants were issued with an expiration date of October 3, 2015. Each unit is comprised of one common share and one share purchase warrant, each warrant being exercisable for one common share at an exercise price of $0.15.

For complete financial results, please see our filings at www.sedar.com

ABOUT PACIFIC THERAPEUTICS LTD.

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 extremely potent and important antioxidant. The Company has confirmed the anti-fibrotic activity of its lead compound for fibrosis, PTL-202, in several experiments using a preclinical model of lung fibrosis and has completed a phase 1 clinical trial of the combination with positive results.

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

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.

Recently Bristol-Myers Squibb announced that they had signed an option on an early-stage program for idiopathic pulmonary fibrosis for up to $444 million in upfront payments and milestones. Pacific Therapeutics CEO and President Doug Unwin states" the interest in fibrosis by large pharmaceutical companies is a complete 360 compared to when the Company was founded and these large companies had no interest in fibrosis treatments or orphan indications."

In 2011 the total market for drugs to treat erectile dysfunction ("ED") exceeded $5 billion (New York Times, April 13, 2011, Duff Wilson). Pacific Therapeutics Ltd. has finalized a definitive agreement to license an oral dissolving technology ("sublingual formulation") of an approved drug to treat erectile dysfunction (ED).

Sales of the market leader alone exceeded $1.9 billion in 2011. The sublingual formulation may improve 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. With successful results from this trial the Company will begin the application for marketing approval.

For further information visit our website at www.pacifictherapeutics.com or email us at doug.unwin@pacifictherapeutics.com

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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.