PACIFIC THERAPEUTICS CEO PROVIDES CORPORATE UPDATE TO SHAREHOLDERS

VANCOUVER, BC, Canada – January 8, 2015 – Pacific Therapeutics Ltd. (CSE: PT) (OTCBB: PCFTF) (Frankfurt: 1P3) (the "Company")Pacific Therapeutics Limited ("Pacific") is a clinical stage Specialty Pharmaceutical Company using proprietary technologies to repurpose and reformulate FDA approved drugs to address large market opportunities as well as increase efficacy and patient compliance. Pacific Therapeutics has licensed a technology for an approved drug to treat erectile dysfunction, reformulated using a fast acting oral disintegrating tablet (ODT) preferred by consumers. In addition, with its partner IntelGenx Corp (IGXT), Pacific is combining two approved drugs into a once-a-day tablet to treat diseases of excessive scarring such as pulmonary fibrosis.

To date Pacific has completed phase 1 clinical and preclinical studies in its process to commercialize PTL-202 its lead candidate for treatment of fibrosis specifically Idiopathic Pulmonary Fibrosis. In the clinical study the interaction of the drugs in the combination showed a positive interaction that will result in patients requiring smaller doses of PTL-202. The preclinical studies demonstrated that the combination of the drugs in PTL-202 was more effective than the individual components at reducing inflammation and fibrosis in the animal studies. During 2014 the patent covering the technology in PTL-202 was approved in Europe. Pacific will continued with the prosecution process of this patent in additional countries including the USA.

There have been many positive industry events concerning IPF during 2014, including the $8.3 billion acquisition of InterMune by Roche Holdings to gain access to the approved IPF therapy Prifenidone and the recent option agreement signed by Bristol Myers Squibb to purchase Galecto of Denmark for $444 million. Galecto's treatment for IPF is about to start a phase 1 trial. Given big pharma's interest in the fibrosis space and earlier stage therapies Pacific will seek out a strategic partner for the continued development and commercialization of PTL-202.

The next step in the development of PTL-202 is the initiation of a phase 1b dose ranging study in humans. This study is planned for 2015 and will be followed by a phase 2 proof of concept study beginning in 2016.

In Q4 of 2013 Pacific acquired the rights to complete the development and commercialize worldwide a new formulation of sildenafil for erectile dysfunction. This reformulation, PTL-2015, of an existing drug may reduce the side effects and speed the onset associated with current formulations of sildenafil. Pacific is now set to conduct a pivotal bioequivalence study beginning in the first quarter of 2015. Data from this study will be used to apply for marketing approval of PTL-2015 in Europe.

During 2015 Pacific will seek out a commercialization partner in Europe for PTL-2015.

During Q4 of 2013 Pacific's 20-f registration was accepted by the SEC in the United States. In Q2 2014 FINRA approved Pacific for listing on the OTCBB and issued it's US trading symbol PCFTF. Pacific enlisted Vstock Transfer as its transfer agent in the United States and began trading in Q2 2014. The company applied for and received DTC eligibility in Q4 of 2014 providing United States investors greater access to Pacific shares.

Pacific plans to strengthen its balance sheet in 2015 with additional financing in the first quarter to complete the development and commercialization of PTL-2015 for ED and initiate the dose ranging study of PTL-202 for IPF.

In addition Pacific will focus on increasing its shareholder base during 2015, and work diligently to increase its net asset value to be eligible for a listing on a national stock exchange in the USA. Along with these initiatives, Pacific will increase its focus on institutions and funds that focus in the biotech and healthcare industry. In addition, the Company will execute a parallel path of stronger fundamentals coupled with a proactive campaign to not only focus on institutional investors but also retail, accredited investors, high net worth family office as well as wall street and industry analysts.

The final area of focus for 2015 will be building the team at Pacific. Internally, the Company will look to build its management and Board of Directors to help guide the Company from the OTCBB to a National Exchange. Externally, the Company is currently working with a select group of advisors in the areas of M&A, business development and collaborations that should accelerate the clinical work and potential licensing and revenue generating initiatives. The Company is currently evaluating business and advisory firms to help navigate through the regulatory process and advise senior management in multiple areas that would increase shareholder value in the 2015 and beyond.

"Drug re-positioning is expected to generate up to $20 billion in annual sales in 2012."- Thomson Reuters

Erectile Dysfunction

Erectile Dysfunction (ED) is the inability to achieve or maintain an erection sufficient for satisfactory sexual performance. Working from the most conservative projections the British Journal of Urology expects the number of men with erectile dysfunction (ED) to more than double from 152 million in 1995 to 322 million by 2025. In 2012 the total market for drugs to treat erectile dysfunction ("ED") exceeded $4.3 billion (Oct 2013, Transparency Market Research). Pacific Therapeutics Oral Disintegrating Tablet (ODT) formulation to treat ED, is a premium product for consumers that is fast-acting, with the potential to reduce common side effects. Our ODT product for Erectile Dysfunction will meet consumer demand and fill a niche not serviced by big pharma and generics, as 70% of patients prefer drugs in an ODT form.

Idiopathic Pulmonary Fibrosis

Idiopathic Pulmonary Fibrosis (IPF) is characterized by scar tissue building up in the air sacs of the lungs, slowly suffocating the patient. Once diagnosed, the average life expectancy is 2.8 years. There is no cure for this disease. IPF kills more people annually than either breast cancer or prostate cancer. Decision Resources Group estimates the market size for IPF therapies in Europe and the United States at $4.6 billion by 2020.

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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.