FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: PACIFIC THERAPEUTICS LTD. (the “Issuer”).

Trading Symbol: PT

Number of Outstanding Listed Securities: 6,735,885

Date: January 6, 2017

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Presently, the Issuer does not have any cash flow from operations.

2. Provide a general overview and discussion of the activities of management.

The Issuer announced that it has entered into a letter of intent (the “LOI”) with Tower Three Wireless SAS (“TOWERTHREE”) to acquire all of the issued and outstanding membership interests of TOWERTHREE (the Transaction”). The Company will conduct due diligence on TOWERTHREE, with a view to negotiating the terms of a definitive agreement in order to complete the Transaction.

The Issuer has entered into a binding arm’s length share exchange agreement (the “Definitive Agreement”) with Tower Three SAS (“Tower Three”), pursuant to which PT will acquire all of the is issued and outstanding securities (the “Tower Three Shares”) of Tower Three (the “Transaction”), as more particularly described below. The Transaction was initially announced in a PT news release dated August 2, 2016, indicating that PT and Tower Three had entered into a letter of intent in respect of the Transaction.

The Issuer announced that the previously announced plan of arrangement (the “Arrangement”) with Cabbay Holdings Corp. has completed. The Company set the effective date for the Arrangement with Cabbay Holdings Corp. as October 3, 2016 and set the share distribution record date for the Arrangement as March 11, 2016, which is the record date for shareholders of the Company to receive shares pursuant to the Arrangement. In connection with the Arrangement, $435,359.55 of indebtedness was assigned to and assumed by Cabbay Holdings Corp.
The Issuer announced changes to the previously announced (August 2, 2016) private placement in connection with its proposed transaction (the “Transaction”) with Tower Three SAS (the “T3”), a South American. The company will increase the minimum raise from $750,000 to $1,500,000 and increases the maximum to $2,250,000 at an intended price of $0.15 per Unit.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer announced that it has entered into a letter of intent (the “LOI”) with Tower Three Wireless SAS (“TOWERTHREE”) to acquire all of the issued and outstanding membership interests of TOWERTHREE (the Transaction”). The Company will conduct due diligence on TOWERTHREE, with a view to negotiating the terms of a definitive agreement in order to complete the Transaction. Tower Three Wireless SAS is a privately held limited liability company formed under the laws of Colombia, and operates or has under construction up to 10 cell towers.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hiring’s, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Company has repaid in full all of the loans from Howe & Bay Financial in order for Pacific Therapeutics to advance funds to Tower Three SAS in Colombia to meet certain cash requirements tied to growth and expansion.

14. Provide details of any securities issued and options or warrants granted.

Not applicable.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Issuer are detailed in Item 17 of the Issuer’s Annual Listing Statement “Risk Factors”.

The Company has repaid in full all of the loans from Howe & Bay Financial in order for Pacific Therapeutics to advance funds to Tower Three SAS in Colombia to meet certain cash requirements tied to growth and expansion.

Not applicable.
Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 6, 2017

Robert Nick Horsley
Name of Director or Senior Officer

/s/ “Robert Nick Horsley”
Signature

Director & CEO
Official Capacity

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<th>Issuer Details</th>
<th>For Month End</th>
<th>Date of Report</th>
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<td>1500 – 409 GRANVILLE STREET</td>
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<table>
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<tr>
<th>City/Province/Postal Code</th>
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<th>Issuer Telephone No.</th>
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<tbody>
<tr>
<td>VANCOUVER, BC, V6C 1T2</td>
<td></td>
<td>(604 ) 559-8051</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Contact Position</th>
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<tbody>
<tr>
<td>Brian Gusko</td>
<td>Chairman of the Board</td>
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<table>
<thead>
<tr>
<th>Contact Email Address</th>
<th>Web Site Address</th>
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<tbody>
<tr>
<td>info@PACIFIC THERAPEUTICS.COM</td>
<td><a href="http://WWW.PACIFIC">WWW.PACIFIC</a> THERAPEUTICS.COM</td>
</tr>
</tbody>
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