



FOR IMMEDIATE RELEASE

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CHRYsalIS CAPITAL VIII CORPORATION ANNOUNCES QUALIFYING TRANSACTION TO CREATE NEW SEMICONDUCTOR COMPANY

July 17, 2012 - Toronto, Ontario – Chrysalis Capital VIII Corporation (“**Chrysalis VIII**” or the “**Corporation**”) is pleased to announce that it has entered into a definitive acquisition agreement (the “**Acquisition Agreement**”) with each of Fresco Microchip Inc. (“**Fresco**”) and RedMere Technology Limited (“**RedMere**”) and their respective principal shareholders for the creation of a new semiconductor company to be named Spectra7 Microsystems Inc. (“**Spectra7**”).

About Spectra7 Microsystems Inc.

Spectra7 is being formed to address the exponential demand for bandwidth which is being driven by rich media, higher resolution displays and the rapid adoption of smartphones and tablets. Consumer electronics and internet infrastructure original equipment manufacturers (“OEMs”) can only achieve their performance and cost objectives with new, high performance, low power analog “signal conditioning” semiconductor devices. Using intellectual property developed by RedMere and Fresco over the past seven years, Spectra7 will be in a position to provide new system level analog components that will deliver unprecedented bandwidth over fiber, copper and wireless links designed to address the bandwidth bottlenecks in today’s and tomorrow’s mobile internet.

Today, RedMere is the leader in “active” HDMI connectivity solutions and has products in production with leading cable OEMs available at retail electronics stores around the world. Fresco is a leader in low cost, high performance silicon tuner solutions required by television OEMs worldwide. The combination of both companies will result in a capital investment to date of over \$80 million, a significant portfolio of patents and development centers in four countries.

“The mobile internet has an insatiable appetite for bandwidth – growing almost twentyfold in the next four years, with connection speeds increasing tenfold during the same time,” commented Tony Stelliga, RedMere’s newly appointed CEO. “As a result, smartphones, tablets and the wireless infrastructure are being redesigned with new analog signal processing technology. This is an unprecedented opportunity for new semiconductor technologies and the unique combination of RedMere’s analog products, Fresco’s wireless technologies and new capital allows Spectra7 to immediately capitalize on this opportunity and solidify its competitive advantage.”

Mr. Stelliga will become CEO of Spectra7 upon the closing of the Proposed Transaction, as defined below. Mr. Stelliga is currently the CEO of RedMere and sits on the board of directors of both Fresco and RedMere.

The Proposed Transaction

Under the terms of the Acquisition Agreement, Chrysalis VIII will acquire all of the issued and outstanding shares in the capital of Fresco (the “**Fresco Shares**”), a corporation incorporated under the

Business Corporations Act (Ontario), and all of the issued and outstanding shares in the capital of RedMere (the “**RedMere Shares**”), a corporation incorporated under the *Companies Act* (Ireland) (together, the “**Spectra7 Shares**”). The Proposed Transaction will be structured in a manner to accommodate efficiencies for various legal structures, tax and accounting treatments and securities regulations. Upon completion of the Proposed Transaction, Chrysalis VIII will be the “resulting issuer”, with each of Fresco and RedMere becoming a wholly-owned direct or indirect subsidiary of Chrysalis VIII.

The Acquisition Agreement creates binding and enforceable obligations on (i) Chrysalis VIII; (ii) Fresco; (iii) RedMere; and (iv) each of Celtic House Venture Partners Fund III L.P., Celtic House Venture Partners Fund (Barbados) SRL, and Celtic House Venture Partners Fund III (U.S.) L.P. (collectively, “**Celtic House**”) and Ventures West 8 Limited Partnership (“**VW8**”). Upon completion of the Proposed Transaction, it is anticipated that Celtic House will own approximately 50% of the outstanding Spectra7 Shares and VW8 will own approximately 20% of the outstanding Spectra7 Shares.

Although the Proposed Transaction will result in RedMere and Fresco becoming wholly-owned direct or indirect subsidiaries of Chrysalis VIII, the Proposed Transaction will constitute a reverse take-over of Chrysalis VIII inasmuch as the former shareholders of RedMere and Fresco will own a substantial majority of the outstanding common shares in the capital of Chrysalis VIII (the “**Common Shares**”). Upon completion, the Proposed Transaction will constitute the “Qualifying Transaction” of Chrysalis VIII pursuant to the policies of the TSX Venture Exchange (the “**TSX-V**”).

A comprehensive press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the TSX-V.

Definitive Agreement Financing

Fresco and/or RedMere have agreed to complete a convertible debt financing within 21 days after the signing of the Acquisition Agreement, resulting in aggregate gross proceeds of not less than \$4,000,000 (the “**Definitive Agreement Financing**”). Without requiring any further consent of the holders thereof, all of the convertible securities issued pursuant to the Definitive Agreement Financing will be automatically: (a) exchanged into Common Shares on an as if converted basis concurrent with the closing of the Proposed Transaction; or (b) converted or exchanged into Fresco Shares or RedMere Shares, as applicable, immediately prior to the closing of the Proposed Transaction, and then such Fresco or RedMere Shares will be exchanged for Common Shares concurrent with the closing of the Proposed Transaction. It is anticipated that the Definitive Agreement Financing will be subscribed to by a group of Fresco and/or RedMere’s existing shareholders.

Qualifying Transaction Financing

Prior to or concurrently with the closing of the Proposed Transaction, Fresco and/or RedMere intend to complete an additional convertible debt financing resulting in aggregate gross process of not less than \$6,000,000 (the “**Qualifying Transaction Financing**”). Without requiring any further consent of the holders thereof, all of the convertible securities issued pursuant to the Qualifying Transaction Financing will be automatically: (a) exchanged into Common Shares on an as if converted basis concurrent with the closing of the Proposed Transaction; or (b) converted or exchanged into Fresco Shares or RedMere Shares, as applicable, immediately prior to the closing of the Proposed Transaction, and then such Fresco and/or RedMere Shares will be exchanged for Common Shares concurrent with the closing of the Proposed Transaction. One or more agents may be engaged to assist in raising the Qualifying Transaction Financing.

ABOUT CHRYSALIS CAPITAL VIII CORPORATION

Chrysalis Capital VIII Corporation is The Chrysalis Capital Group Inc.'s ("TCCG") eighth capital pool company ("CPC"). TCCG is entirely focused on generating superior shareholder returns through the creation of a series of unique CPCs. To date, TCCG has created eight Chrysalis branded CPCs and has assisted in the creation of four additional CPCs under TCCG's partners program. For more information about TCCG, please visit www.tccg.ca.

ABOUT FRESCO MICROCHIP INC.

Fresco is a leader in RF, analog and digital semiconductors. The company's products deliver Value Through Innovation™ by offering significantly lower system solution costs at optimal performance. Fresco's patent-pending technology transcends a broad range of consumer devices creating a fundamental paradigm shift in the television market. Fresco's customers include top tier tuner manufacturers who supply leading consumer electronic brands.

Fresco is currently a private company with lead investors Celtic House and VW8. The company is headquartered in Toronto, Canada with design centers both in head office and Irvine, California.

ABOUT REDMERE TECHNOLOGY LIMITED

RedMere provides complete active-cable solutions to cable industry leaders and manufacturing partners. In a world where connection speed increases, RedMere enables easy to use, high quality, smart connectivity for The Home, On the Move and The Office.

These new active cable systems deliver the ultimate in compact digital connectivity over HDMI, DisplayPort and USB for Video and Still Cameras, Smartphones, HDTV, Blu-Ray DVD, PS3 and Xbox, as well as enterprise solutions using Infiniband and PCI Express.

RedMere is currently a private company with lead investors Celtic House Venture Partners and EdgeStone Capital Partners. The Company is headquartered in Cork, Ireland.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the proposed transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a CPC should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

Certain information in this press release may constitute forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Corporation assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Corporation. Additional information identifying risks and uncertainties is contained in the Corporation's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

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