



SPECTRA7 COMPLETES SHARES FOR DEBT SETTLEMENT

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

August 21, 2013 – Toronto, ON and Palo Alto, CA – (TSX-V:SEV) Spectra7 Microsystems Inc. (“Spectra7” or the “Company”), a high performance analog semiconductor company delivering unprecedented speed, resolution and signal fidelity to consumer and wireless infrastructure products, today announced that further to its news release dated August 14, 2013, the Company has now issued an aggregate of 154,046 common shares at a deemed issuance price of Cdn.\$0.59 per share to settle approximately Cdn.\$91,000 owing to certain arm's length and non-arm's length parties for past services. All common shares issued in connection with the shares for debt transaction are subject to a four month statutory hold period expiring on December 21, 2013.

Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the shares for debt transaction constitutes a “related party transaction” as a related party of the Company subscribed for 48,282 common shares. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, based on a determination that the securities of the Company are only listed on the TSX Venture Exchange and that the fair market value of the transaction, insofar as it involves interested parties, does not exceed \$2,500,000 and/or 25% of the market capitalization of the Company at the time the transaction was initially announced.

ABOUT SPECTRA7 MICROSYSTEMS INC.

Spectra7 Microsystems Inc. is a high performance analog semiconductor company delivering unprecedented speed, resolution and signal fidelity to consumer and wireless infrastructure products. Spectra7's new system-level components address throughput bottlenecks and satisfy the exponential demand for more bandwidth and lower costs in mobile and internet infrastructure equipment, including handsets, tablets, base stations and microwave backhaul systems. Spectra7 was recently identified by CIBC World Markets as one of the hottest technology companies. Spectra7 is headquartered in Markham, Ontario with development centers in Silicon Valley, Irvine, California and Cork, Ireland. For more information, please visit www.spectra7.com.

Certain information in this news 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. Spectra7 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 Spectra7. Additional information identifying risks and uncertainties is contained in Spectra7's filings with the Canadian securities regulators available at www.sedar.com.

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.

For more information, please contact:

Guy Anthony, Chief Financial Officer

t: (650) 515-0267

e: pr@spectra7.com

w: www.spectra7.com