



SPECTRA7 COMPLETES PRIVATE PLACEMENT

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December 12, 2013 – Toronto, ON and Palo Alto, CA – Spectra7 Microsystems Inc. (“Spectra7” or the “Company”) (TSX-V:SEV), a high performance analog semiconductor company delivering unprecedented speed, resolution and signal fidelity to consumer and wireless infrastructure products, today announced that it has closed its previously announced best efforts fully marketed brokered private placement, issuing 6,111,418 common shares of the Company (“Common Shares”) at a price of \$0.55 per Common Share for gross proceeds of approximately \$3.36 million (the “Offering”). The Offering was led by Paradigm Capital Inc. and included Cormark Securities Inc. (collectively, the “Agents”) and PI Financial Inc. acting as a strategic selling group.

In connection with the Offering, the Agents received a cash commission of up to 6% of the gross proceeds of the Offering, and the Agents received non-transferable compensation options (the “Compensation Options”) to acquire up to 8% of the number of Common Shares sold pursuant to the Offering. Each Compensation Option is exercisable into one Common Share at a price of \$0.55 per share for a period of 24 months from the closing date. The Company has granted the Agents an option (the “Agents’ Option”) exercisable in whole or in part to increase the size of the Offering by up to 15% of the base offering size, which Agents’ Option is exercisable by notice in writing to the Company for a period of 30 days following closing of the Offering.

All securities issued pursuant to the Offering are subject to a statutory hold period which expires on April 13, 2014. Proceeds from the Offering will be used to continue building out Spectra7’s product portfolio, and for general corporate and working capital purposes.

The Company also announces the grant of stock options and restricted share units to Mr. Robert Bosomworth, the Company’s interim chief financial officer. Options to purchase up to 15,000 common shares were granted pursuant to the Company’s stock option plan, exercisable at a price of \$0.62 per Common Share for a term of seven years, and 15,000 restricted share units were awarded pursuant to the Company’s restricted share unit plan.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

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

is headquartered in Markham, Ontario with development centers in Silicon Valley, Irvine, California and Cork, Ireland. For more information, please visit www.spectra7.com.

Caution Regarding Forward-Looking Information

This press release may contain forward-looking statements with respect to Spectra7, its products and operations and the contemplated financing. These statements generally can be identified by use of forward looking words such as but are not limited to "may", "will", "expect", "estimate", "anticipate", intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Spectra7 discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in the Management's Discussion and Analysis and Final Long Form Prospectus of Spectra7 which are available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to Spectra7 and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and Spectra7 has no obligation to update such statements.

All trade names are the property of their respective owners.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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