



SPECTRA7'S AR-CONNECT™ DELIVERS INDUSTRY'S FIRST ACTIVE INTERCONNECTS TO RAPIDLY EXPANDING AUGMENTED REALITY MARKET

Secures Product Design-wins, Orders and Patent for Ultra-light, micro-thin, wearable interconnects

JUNE 4, 2015 - Toronto, ON and Palo Alto, CA – (TSX-V:SEV) Spectra7 Microsystems Inc. ("Spectra7" or the "Company"), today announced AR-Connect™ - its new Augmented Reality ("AR") interconnect product line powered by the Company's patented wearable network signal processing technology. The Company believes its patented AR-Connect™ is the industry's first and only integrated cable, connector and embedded chipset product line for Augmented Reality vision systems and wearable computing devices.

Spectra7 has secured multiple AR design-wins based on its AR-Connect™ technology. Over \$1 million in orders for these new AR-Connect™ products was received in the second half of May alone.

The Company's AR-Connect products are capable of delivering video, audio, data and power in a unified ultra-light, micro-thin wearable cable while also achieving the low latency and high bandwidth required for an enhanced dynamic consumer-ready AR experience. AR-Connect also comes with a rich set of AR specific features, including:

- SR7™ : Signal Restoration Technology – Delivers crisp, high speed dynamic images
- QuartzControl™ : Delivers a wider dynamic range of video and audio formats
- JTX™ : Jitter Transfer Cancellation – Preserves audio fidelity

The Company's JTX Technology was granted a US Patent on April 7th, 2015, adding to an expanding portfolio of IP in both the AR and VR markets.

According to Digi-Capital's April 2015 report, the AR market is projected to generate \$120 billion in revenue in 2020, in addition to the \$30B in revenue for the Virtual Reality ("VR") market which is already addressed by the Company's previously announced VR product line. In Digi-Capital's report, Tim Merel stated, "Augmented reality has the potential to play the same role in our lives as smartphones with hundreds of millions of users. You could wear it anywhere, doing anything". He went on to say "Augmented reality is like wearing a transparent mobile phone on your face. We think AR could fundamentally disrupt mobile".

Over a dozen consumer OEMs have entered and/or invested in the AR market as they seek to capitalize on the new opportunity for content distribution, training, gaming and advertising. AR allows the user to continue to experience the real world through 'glasses' while 'overlaying' sensor driven events and heads up images, applications, objects and game characters into the user's real world. Spectra7 is also a leading provider of high performance interconnects to the Virtual Reality market where the user is immersed into the VR experience through a dedicated display panel integrated into the Head Mounted Display ("HMD").

AR-Connect™ enables Augmented Reality glasses to connect to a Smart-phone, proprietary processing device or a desktop GPU/Laptop Processing unit, with a single unified and ultra thin link. Interconnect weight, diameter, speed and low distortion are critical to AR interconnects. Spectra7's AR-Connect™ interconnects enable Original Equipment Manufacturers ("OEM") to meet these design goals with the Company's patented embedded high speed active signal processing technology. The Company's technology delivers a dramatic reduction in the number of cables required by up to a factor of four, increases video throughput by up to 100% and enables up to a 10X increase in sensor/gesture backhaul data throughput while simultaneously reducing the cable conductor cross sectional area by up to 90% compared to discreet, passive interconnects.

"Spectra7 continues its expansion into high growth vertical markets, and Augmented Reality is a superb fit," said Tony Stelliga, CEO of Spectra7. "AR's low latency, light weight and high speed requirements can be addressed uniquely and immediately with Spectra7's technology and we are excited about the potential in this highly anticipated market."

The Company's AR-Connect™ product line includes of a family of active, ultra-thin AR interconnects designed for a broad range of popular industry standard and proprietary HMD and host connector interfaces and cable lengths. Selected product configurations are sampling now to leading OEMs as part of the Company's AR-Connect™ Partner Program.

ABOUT SPECTRA7 MICROSYSTEMS INC.

Spectra7 Microsystems Inc. is a high performance analog semiconductor company delivering unprecedented speed, resolution and signal fidelity that enables ultra-light, high-speed, micro-thin interconnects which enable new classes of industrial design for market-leading consumer electronic products including Virtual Reality, Wearable Computing Ultra-HD 4K/8K Displays and Tablets. Spectra7 is headquartered in Markham, Ontario with development centers in Silicon Valley, California and Cork, Ireland. For more information, please visit www.spectra7.com.

CAUTIONARY NOTES

Certain statements contained in this press release constitute “forward-looking statements”. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should” or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company’s annual MD&A for the year ended December 31, 2013. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

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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