



SPECTRA7 RECEIVES ORDER FOR NEW VIRTUAL REALITY CHIPS
Multi-Product Order Moves Company's New VR Product Line into Production

OCTOBER 14, 2014 – Palo Alto, CA and Toronto, ON – (TSX-V:SEV) Spectra7 Microsystems Inc. ("Spectra7" or the "Company"), today announced that it has received a significant multi-product order for its new virtual reality ("VR") devices from an industry-leading consumer original equipment manufacturer ("OEM"). The order calls for delivery of over 500,000 devices including the Company's recently announced VR7050 Gesture and Motion Backhaul Processor and the second generation of the previously announced VR7100 ultra-miniature Digital Video Link Processor chip. The devices will deliver a thinner, lighter and higher performance interconnect system to the OEM's VR head-mounted display ("HMD").

Spectra7's embedded VR chips can reduce the number of cables required from 4 to 1 when compared to first generation VR HMDs, increase video throughput by up to 100%, deliver up to a 10X increase in sensor/gesture backhaul data throughput and reduce the cable conductor cross-sectional area and weight by up to 90%.

With growing mainstream consumer interest driving VR to a "must-have accessory" status for gamers, over a dozen major consumer OEMs have announced plans to enter the VR market to capitalize on the installed base of over 250 million VR-capable game consoles, according to VGChartz. The Company has been shipping its first generation VR Interconnect chips to VR OEM's since May of this year.

"Ultra-thin, ultra-fast VR interconnects are becoming increasingly critical in order to differentiate the latest VR products as major OEMs continue to enter the VR marketplace," said Tony Stelliga, CEO of Spectra7. "This sizable order underlines the Company's ability to engage this emerging market early and quickly deliver a substantially improved VR experience to the consumer."

ABOUT SPECTRA7 MICROSYSTEMS INC.

Spectra7 Microsystems Inc. is a high performance consumer connectivity company delivering unprecedented bandwidth, speed and resolution to enable disruptive industrial design for leading consumer electronics manufacturers in Virtual Reality, Wearable Computing and Ultra-HD 4K/8K Displays. Spectra7 is based in Palo Alto, California and Markham, Ontario with a Design Center in Cork, Ireland. For more information, please visit www.spectra7.com.

CAUTIONARY NOTES REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this press release constitute “forward-looking statements” within the meaning of applicable securities laws. 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 and assumptions 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. Additional factors that could cause actual results, performance and 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. Actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. 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.

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