



## **Spectra7 Microsystems Inc. Announces Closing of \$8.75 Million Financing**

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES

May 4, 2015 – PALO ALTO, CA and TORONTO, ON - Spectra7 Microsystems Inc. (TSXV: SEV) (“**Spectra7**” or the “**Company**”) is pleased to announce that it has closed its previously announced bought deal private placement offering of special warrants (the “**Special Warrants**”) of the Company at \$0.70 per Special Warrant (the “**Offering Price**”). Prior to the closing of the Offering (as defined below), the syndicate of underwriters led by Mackie Research Capital Corporation and including Global Maxfin Capital Inc. and PI Financial Corp. (together, the “**Underwriters**”), exercised the Underwriters’ option, in full, and purchased a total of 12,322,250 Special Warrants (the “**Brokered Offering**”), which together with an additional 172,515 Special Warrants being sold directly by the Company on a non-brokered private placement basis (the “**Non-Brokered Offering**” and, together with the Brokered Offering, the “**Offering**”), resulted in a total of 12,494,765 Special Warrants being issued for gross proceeds of \$8,746,336.

Each Special Warrant is exercisable, for no additional consideration into one (1) unit of Spectra7 (a “**Unit**”). Each Unit will consist of one (1) common share (a “**Common Share**”) of the Company and one-half (1/2) of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant shall entitle the holder thereof to purchase one Common Share (a “**Warrant Share**”) at an exercise price of \$0.90 at any time up to May 4, 2017. The expiry date of the Warrants may be accelerated by the Company at any time following nine months after closing and prior to the expiry date of the Warrants if the volume weighted average price of the Common Shares is greater than \$1.30 for any 20 non-consecutive trading days after closing.

In consideration of the services provided by the Underwriters, the Company paid the Underwriters a cash fee equal to 6% of the gross proceeds raised in the Offering (3% for president’s list subscribers) and issued to the Underwriters 728,895 special compensation options (“**Special Compensation Options**”). Each Special Compensation Option shall be converted into compensation options (“**Compensation Options**”) upon the Deemed Exercise Date (as hereinafter defined). Each Compensation Option is exercisable to acquire one Unit at an exercise price equal to the Offering Price, at any time up to May 4, 2017.

Concurrent with the closing of the Brokered Offering, the Company also issued 172,515 Special Warrants to a director of the Company pursuant to the Non-Brokered Offering. Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the Non-Brokered Offering constitutes a “related party transaction” as an insider of the Company subscribed for Special Warrants. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101. The Non-Brokered Offering was approved by all of the independent directors of the Company.

The net proceeds from the Offering will be used for working capital and general corporate purposes.

The Offering was completed by way of a private placement pursuant to applicable exemptions from the prospectus requirements. All securities issued in connection with the Offering have affixed resale restrictions of four months and one day. As soon as reasonably practicable after the Closing, the Company will prepare and file a preliminary short form prospectus in the Provinces of Ontario, Alberta and British Columbia where the Special Warrants were sold, qualifying the distribution of the Units. In the event that the Company has not received a receipt for the final prospectus by June 18, 2015, each unexercised Special Warrant will thereafter entitle the holder thereof to receive upon the deemed exercise thereof, at no additional consideration, one-and-one-tenth (1.10) Units (instead of one Unit).

All unexercised Special Warrants will be deemed to be exercised (the “**Deemed Exercise Date**”) on the earlier of (i) four months and a day following Closing of the Offering, and (ii) the 3rd business day following the day upon which the Company obtains a receipt for the Final Prospectus qualifying the Units from the securities regulatory authority in each Jurisdiction (as defined below) in which Special Warrants are sold under the Offering and the Non-Brokered Offering.

#### **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 with design centers in Markham, Ontario and Cork, Ireland. For more information, please visit [www.spectra7.com](http://www.spectra7.com).

#### **Forward-looking (safe harbour) statement**

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 closing of the offering, use of proceeds, filing of a preliminary and final prospectus, 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 which are made in good faith and reflect the Company’s current judgment regarding the direction of the business. These statements and assumptions 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. 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.***

For more information, please contact:

Sean Peasgood  
Investor Relations  
416-565-2805  
ir@spectra7.com

Rob Bosomworth  
Chief Financial Officer  
905-480-9109  
pr@spectra7.com  
www.spectra7.com

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any securities laws and may not be offered or sold in the United States unless registered under the 1933 Act and any applicable securities laws of any state of the United States or an applicable exemption from such registration requirements is available.*