

## Spectral Diagnostics Announces Leading Independent Proxy Firms Recommend Spectral Shareholders Vote For Name Change and For Amendment of Warrants

**TORONTO, Canada – April 21, 2014 – Spectral Diagnostics Inc. (TSX:SDI) (OTCQX:DIAGF)** (“Spectral” or the “Company”), a Phase III company developing the first theranostic treatment for patients with septic shock, today announced that Institutional Shareholder Services (“ISS”), a leading independent proxy firm and an affiliate of Institutional Shareholder Services Inc., and Glass Lewis & Co. (“Glass Lewis”), a leading U.S. independent proxy firm, have both recommended that, among other things, Spectral shareholders:

- vote FOR the resolution to change the name of the Company from “Spectral Diagnostics Inc.” to “Spectral Medical Inc.”; and
- vote FOR the resolution to amend the terms of certain common share purchase warrants of the Company (the “Warrants”) held by insiders of the Company to extend the expiry date of the Warrants to September 2, 2014, consistent with the amendments made to the Warrants held by all other holders of Warrants.

ISS summarized their recommendations on these matters as follows:

“The new name is intended to accurately reflect the activities, growth strategy and emerging brand recognition of the company in its continuing transition into a therapeutic development company. A vote FOR this name change is warranted because the new name will better identify the company with its primary businesses and activities. . . . The extension sought is only for six months and there is no proposal to amend the exercise price. There are no significant governance concerns and the extent of dilution is reasonable. Support for this resolution is warranted.”

Regarding the proposed amendment to the terms of the Warrants, Glass Lewis' noted that:

“... in this case, the board is only seeking to extend the expiry date of warrants, not to alter the original exercise price of the warrants. The Company's share price as of April 9, 2014 is C\$0.30, well below the exercise price of the warrants. We believe that all warrant holders should be given the opportunity to realize a return on their past financing of the Company. Accordingly, we recommend that shareholders vote **FOR** this proposal.”

Spectral's board of directors has recommended that shareholders vote their proxy FOR the name change and amendments to the terms of the Warrants and Spectral has scheduled an annual and special meeting (the “**Special Meeting**”) of shareholders for 4:00 p.m. (Toronto time) on May 5, 2014, where it will seek approval for these any other matters. The deadline for voting is 4:00 p.m. (Toronto Time) on May 1, 2014.

Shareholders are encouraged to review the management proxy circular of Spectral, dated April 8, 2014, which provides a detailed discussion of the proposed name change and amendments to the Warrants, as well as the reasons behind the board of directors' recommendation. A copy of the proxy circular is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **How to Vote**

Due to essence of time, Shareholders are urged to vote today using the methods below. Please vote in sufficient time for your vote to be received prior to 4:00 p.m. Toronto time on May 1, 2014.

## **Registered Shareholders**

Shareholders who have physical certificates representing Spectral shares may vote by fax. To vote please fax to 1-866-249-7775. If you did not receive your proxy or need assistance in voting, please contact Shorecrest at 1-888-637-5789 or collect at 647-931-7454

## **Beneficial Shareholders**

Shareholders who hold their shares through a broker or other intermediary may vote via the internet at [www.proxyvote.com](http://www.proxyvote.com) or following the other instructions found on the voting instruction form. Shareholders who have questions or need any additional information should contact their professional advisors or you can contact Shorecrest Group, Spectral's proxy solicitation agent, toll-free at 1-888-637-5789, locally at 647-931-7454 or by email at [info@shorecrestgroup.com](mailto:info@shorecrestgroup.com).

## **Error! Hyperlink reference not valid.About Spectral Diagnostics**

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostic product for the treatment of severe sepsis and septic shock. Toraymyxin is a therapeutic hemoperfusion device that removes endotoxin, which can cause sepsis, from the bloodstream. Directed by the Company's Endotoxin Activity Assay (EAA™), the only FDA-cleared diagnostic for the risk of developing sepsis, Spectral's EUPHRATES trial is the world's first theranostic trial in the area of sepsis.

Toraymyxin has been approved for therapeutic use in Japan and Europe, and has been used safely and effectively on more than 100,000 patients to date. In March 2009, Spectral obtained the exclusive development and commercial rights in the U.S. for Toraymyxin, and in November 2010, signed an exclusive distribution agreement for this product in Canada.

More than one million patients in the United States are diagnosed with sepsis each year. Approximately one third of these patients progress to severe sepsis and septic shock, representing a significant unmet medical need and a potential market size of approximately \$2 billion.

Spectral is listed on the Toronto Stock Exchange under the symbol SDI, and on the OTCQX under the symbol DIAGF. For more information please visit [www.spectraldx.com](http://www.spectraldx.com)

## **Forward-looking statement**

*Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Implicit in this information, particularly in respect of the future outlook of Spectral and anticipated events or results, are assumptions based on beliefs of Spectral's senior management as well as information currently available to it. While these assumptions were considered reasonable by Spectral at the time of preparation, they may prove to be incorrect. Readers are cautioned that actual results are subject to a number of risks and uncertainties, including the availability of funds and resources to pursue R&D projects, the successful and timely completion of clinical studies, the ability of Spectral to take advantage of business opportunities in the biomedical industry, the granting of necessary approvals by regulatory authorities, the ability to manufacture products and supply the market, as well as general economic, market and business conditions, and could differ materially from what is currently expected.*

*The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this statement.*

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