



SPECTRAL DIAGNOSTICS AND TORAY INDUSTRIES ANNOUNCE CLOSING OF TRANCHE "A" COMPONENT OF ITS UP TO \$18.2 MILLION OFFERING

Toronto, Ontario, JULY 25, 2014 . Spectral Diagnostics Inc. (TSX: SDI) (OTC QX: DIAGF) (the Corporation or Spectral) and Toray Industries, Inc. (Toray) today announced the closing of Tranche A of the previously announced non-brokered private placement of the Corporation (the Offering). The Tranche A component of the Offering was comprised of 45,051,186 common shares of the Corporation (Shares), at a subscription price of \$0.293 per Share for aggregate proceeds of \$13.2 million. The Offering was approved by shareholders of the Corporation at a special meeting of shareholders held on July 22, 2014.

With the closing of this financing and a clear clinical development pathway, we can now confidently move forward to complete the EUPHRATES trial and plan for commercialization of our unique treatment for septic shock in the North American market, said Anthony Businskas, Executive Vice President and CFO of Spectral.

We have had a long and collaborative relationship with Spectral and are pleased to have participated in this offering, stated Mr. Ryo Murayama, Senior Vice President of Toray. We expect to continue our support of this very important initiative and intend to work with Spectral to build acceptance and usage of the combined EAAi /PMX approach for the treatment of septic shock, added Mr. Murayama.

Among other insiders, Toray participated in Tranche A of the Offering and acquired 17,064,846 Shares, at a subscription price of \$0.293 per Share, for aggregate proceeds of \$5 million. As a consequence, Toray now holds 33,731,513 Shares or 18.8% of the issued and outstanding Shares, calculated on a non-diluted basis.

The Tranche B component of the Offering is comprised of additional Shares to be sold to Toray by the Corporation of up to \$5 million, if, as and when the Corporation exercises the right (the Call Right), granted by Toray to the Corporation in the private placement agreement between the Corporation and Toray dated June 10, 2014, which is exercisable by written notice given by the Corporation to Toray at any time on or after March 1, 2015 until March 15, 2015, to require Toray to purchase from the Corporation, at a subsequent closing to occur on April 1, 2015, up to that number of Shares as is determined by dividing the Call Right amount exercised (up to the \$5 million), as applicable, by the volume weighted average trading price of the Shares on the TSX for the 20 trading days ending on the business day prior to the day the Call Right is exercised. The Shares to be sold to Toray in Tranche B will only be sold if the Corporation exercises the Call Right.

The Corporation intends to use the net proceeds of the Offering to fund its EUPHRATES clinical development program for PMX, its lead theranostics product for the treatment of severe sepsis with septic shock and for working capital and general corporate purposes.

About Spectral Diagnostics Inc.

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostics product for the treatment of severe sepsis with septic shock. PMX is a therapeutic hemoperfusion device that removes endotoxin, which can cause sepsis, from the bloodstream. Directed by the Corporation's Endotoxin Activity Assay (EAAi), the only FDA cleared diagnostic for the risk of developing sepsis, Spectral's EUPHRATES trial is the world's only active and most innovative Phase III study in the area of septic shock.

PMX 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 PMX, and in November 2010, signed an exclusive distribution agreement for this product in Canada. Approximately 350,000 patients are diagnosed with severe sepsis and septic shock in North America each year, representing a greater than \$2 billion market opportunity for Spectral.

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.

About Toray Industries Inc.

Toray Industries, Inc. is a Japanese-based manufacturer of fibers, textiles, plastics, chemicals, IT related products, carbon fiber composite materials, environmental and engineering equipment, and pharmaceutical and medical products. In FY 2013, Toray was active in 25 countries and regions, and had net sales of ¥1.8 trillion (approximately U.S.\$18 billion). Toray manufactures the Toraymyxin hemoperfusion device and has licensed to Spectral the exclusive commercialisation rights to this product in the United States and granted Spectral exclusive distribution rights in Canada.

Note: U.S. dollar amounts have been converted from yen at the exchange rate of ¥102.9 = U.S.\$1, the approximate rate of exchange prevailing on March 31, 2014.

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 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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