



SPECTRAL ANNOUNCES NORMAL COURSE ISSUER BID

Toronto, Ontario, JULY 4, 2016 – Spectral Medical Inc. (“Spectral” or the “Company”) (TSX: EDT) (OTC QX: EDTXF) a Phase III Company advancing a precision treatment targeting specific patients at high risk of death from septic shock, today announced that the Toronto Stock Exchange (“**TSX**”) has accepted Spectral’s notice of intention to proceed with a normal course issuer bid through the facilities of the TSX.

Pursuant to the notice, Spectral may purchase up to 4,134,664 of its common shares (“**Shares**”), representing approximately 2% of its issued and outstanding Shares, during the twelve month period commencing July 6, 2016 and ending July 5, 2017. As of June 27, 2016, there were 206,733,209 Shares issued and outstanding. Under the normal course issuer bid, Spectral may purchase up to 25,757 Shares on the TSX during any trading day, which represents approximately 25% of the average daily trading volume on the TSX, which is 103,028 Shares for the most recently completed six calendar months as of May 31, 2016. This limitation does not apply to purchases made pursuant to block purchase exemptions. Purchases will be executed through the facilities of the TSX at market prices under the normal course issuer bid rules of the TSX. Any Shares purchased under the normal course issuer bid will be cancelled.

Although Spectral intends to purchase Shares under its normal course issuer bid, there can be no assurances that any such purchases will be completed. Such purchases, if any, may commence on July 6, 2016 and will terminate on July 5, 2017, or on such earlier date as Spectral may complete its purchases pursuant to the notice of intention filed today with the TSX or provide notice of termination. Any such purchases will be made by Spectral at the prevailing market price at the time of acquisition and through the facilities of the TSX.

Spectral commenced a normal course issuer bid on December 17, 2014 that ended on December 16, 2015. Under such normal course issuer bid, Spectral purchased 480,000 Shares and the weighted average price paid per Share was \$0.7396.

Spectral believes that the Shares have been trading in a price range which does not adequately reflect their value in relation to the business of Spectral and its future

business prospects. As a result, depending upon future trading prices of the Shares and other factors, Spectral believes that the Shares may represent an attractive investment to Spectral. Furthermore, any purchases made under the normal course issuer bid can be expected to benefit all persons who continue to hold Shares by increasing their percentage equity interest in Spectral.

About Spectral Diagnostics Inc.

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostics product for the treatment of endotoxemic septic shock. Toraymyxin™ (“**PMX**”) is a therapeutic hemoperfusion device that removes endotoxin, a main trigger of sepsis and septic shock, 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 only active and most innovative Phase III study for a medical device in the area of septic shock.

PMX has been approved for therapeutic use in Japan and Europe, and has been used on more than 150,000 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. Over 350,000 patients are diagnosed with septic shock in North America each year, representing a greater than \$3 billion market opportunity for Spectral.

Spectral is listed on the Toronto Stock Exchange under the symbol EDT, and on the OTCQX under the symbol EDTXF. For more information, please visit 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 commercialize its products, 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.

For more information, please contact:

Anthony Busiskas
Executive Vice President and CFO
Spectral Medical Inc.
416-626-3233 ext. 2200
tbusiskas@spectraldx.com
www.spectraldx.com

Ali Mahdavi
Capital Markets & Investor Relations
416-962-3300
am@spinnakercmi.com