

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

TSX : SXI

October 10, 2017

**SYNEX INTERNATIONAL INC. ADDRESSES
DISSIDENT SHAREHOLDER'S PROXY CIRCULAR**

Your vote is extremely important. Make an Informed Choice.

The Special Committee Recommends that Synex Shareholders Vote the WHITE Proxy

The Special Committee of Synex International Inc. (the “**Company**” or “**Synex**”) today addresses the press release and proxy circular issued on October 5, 2017 by Daniel Russell (the “**Dissident**” or “**Russell**”), a dissident shareholder and a director of the Company. The Special Committee consisting of independent directors of Synex was formed to independently ensure that the best interests of ALL shareholders are being considered.

"Mr. Russell has consistently impeded the growth of Synex and it is unfortunate that instead of having constructive engagement with the Special Committee, Mr. Russell has launched a costly battle to advance his personal interests," said Clifford Grandison, Chair of the Special Committee of independent directors.

Synex Shareholders should be aware of the following concerns with regards to Daniel Russell and his hand-picked nominees. The Special Committee believes in shareholder democracy. As a shareholder you have the right to be well informed. In response to the Dissident's Proxy Circular and News Releases, the Special Committee urges you to take the following information into careful consideration before casting your vote.

THE DISSIDENT'S PURPORTED CLAIMS OF SUPPORT

Russell purports to represent the "concerned" shareholders and have the "support" of approximately 42% of the issued and outstanding shares. In fact, the "concerned" shareholders and "support" represents only himself, his spouse and members of his family.

THE DISSIDENT WANTS TO TAKE OVER SYNEX WITHOUT PAYING A PREMIUM TO SHAREHOLDERS

Capital markets participants expect that an investor seeking to take control of a company pay a premium. By attempting to install his hand-picked slate of directors and take over the board, Russell is trying to avoid paying shareholders a premium for control of Synex.

THE DISSIDENT'S HAND-PICKED SLATE: QUESTIONABLE RELEVANT EXPERIENCE AND MAY NOT BE INDEPENDENT

The slate hand-picked by Russell raises a number of concerns:

- **Lack of Local Expertise.** To the Special Committee's knowledge, only one of the nominees appears to have any direct connection to British Columbia, the location of all of Synex's projects. This local expertise is crucial for the Company's board.
- **No Industry Experience.** One nominee is a research analyst at an international policy agency in Paris, France and appears to have no direct experience relevant to independent power producers in British Columbia.
- **No Public Company Experience.** To the Special Committee's knowledge, other than Russell and his spouse, none of the nominees appear to have any recent experience with capital markets and public company financing or indeed, any recent public company experience in Canada or elsewhere.

The Dissident's nominees include himself, his spouse and three hand-picked nominees. The relationships between the Dissident and his three hand-picked nominees are unknown. **How can you be sure that the Russell nominees to the board are truly independent and will act in the best interests of the Company and not Daniel Russell?** Perhaps he selected them due to his expectation that they will be loyal to his suggestions. Having control of the board amounts to having control of the Company. Directors are appointed to represent a variety of views and ideas, and it's difficult to be confident this will be the case in a situation where all potential directors are nominated by a single person, Russell. **Will minority shareholders have a say?**

THE DISSIDENT HAS IMPEDED THE BOARD AND MANAGEMENT

Russell casts himself as being on the sidelines, powerless to intercede. To the contrary, Russell is a director with the full access that is provided to such persons. Russell has even thwarted change or progress by the Company. Management has recently presented to the board for evaluation, several business and financing alternatives only to have each rejected by Russell, with each rejection being backed with the threat of a proxy contest.

THE DISSIDENT DOES NOT HAVE A PLAN

The Dissident has aspirations, but fails to describe any plan for the Company. In essence, it appears as though Russell wants to 'make Synex great again' and 'drain the swamp', but provides no details, only bluster. After serving as a director of the Company for over 13 years, it appears to the Special Committee and certain members of the board that Russell may not understand the business of the Company at a level required to run it or add significant value. In his circular, Russell states "Additionally, management *continues to spend valuable cash resources* on development projects (McKelvie Hydro Project, Newcastle Hydro Project and Victoria Lake Hydro Project) despite such projects being marred (sic) in regulatory uncertainty in British Columbia." As a director of the Company, Russell should be aware that the McKelvie Hydro Project and Newcastle Hydro Project have acquired the necessary regulatory approvals, including issuance of water licenses and land tenures. These two projects, upon completion, represent an addition of 9MW of installed capacity as compared to the existing installed capacity of the Company of 12MW (net). Further, Russell should be aware that the Company has entered into a Memorandum of Understanding with a third party for the continued development of the Victoria Lake Hydro Project, under which the Company does not expect to invest additional cash. In recent strategic discussions, Russell has not presented to the board any alternate strategic plan to grow the Company. There is no reason to believe he will do so now.

THE DISSIDENT HAS NO PLAN FOR THE COMPANY'S DAY-TO-DAY LEADERSHIP

Russell has initiated a proxy contest without any plan for day-to-day executive leadership. Indeed, Russell will not commit to assuming any day-to-day senior leadership position himself, although if successful with the proxy contest he may anoint himself CEO with the salary that accompanies the position. Vague as Russell's plans may be, how does Russell intend to implement his plan without a full-time leader at the Company? Russell is long on criticism and short on solutions.

THE DISSIDENT'S PROPOSED CHANGES IN MANAGEMENT COULD PLACE THE COMPANY AT RISK

Synex is a small company of less than 15 employees. It has a history of successfully designing, building and operating medium-sized hydroelectric plants – a complex set of tasks that require specialized and diverse skill sets. The Company's current president is a practicing engineer who, together with senior employees, intimately understands the technical and business challenges in carrying out these tasks. **Who will replace this knowledge and experience if senior management and/or key personnel leave or are replaced?**

THE DISSIDENT'S HAND-PICKED SLATE MAY BURDEN SYNEX WITH HIGHER COSTS

While purporting to be concerned about higher costs, a review of the background of Russell's hand-picked slate suggests that the following may occur:

- higher directors' fees;
- higher executive compensation;
- higher costs related to directors' meetings, including transportation and hotel costs;
- Russell's costs for initiating this proxy contest;

In addition, it is likely that the Company will be burdened with employment severance obligations and additional costs for hiring replacement employees. Replacement employees could be expected to require higher compensation. These costs may be significant. These funds would be better spent on advancing the business of the Company.

Management and the management nominees are qualified to successfully lead Synex.

MANAGEMENT NOMINEES HAVE BROAD SUPPORT

To date, the management nominees have received and continue to receive broad-based support from shareholders. These shareholders represent a broad spectrum, not the narrow few of the Dissident and his family members.

INDUSTRY CHALLENGES AND STRATEGIC PLANNING

Through its strategic planning process, the Company has identified five main challenges that are being addressed going forward. None of these challenges have an 'easy' solution. Russell's purported 'plans' are superficial in nature and do not address head-on the realities of running an independent power producer in the current climate. In order to further address these challenges going forward, the Special Committee will recommend that the board appoint a Strategic Operations Committee, which will be empowered to be responsible for considering and making recommendations in regard to the Company's strategic direction and planning with a view to enhancing corporate and shareholder value.

MANAGEMENT NOMINEES ARE QUALIFIED AND HAVE RELEVANT EXPERIENCE

The management nominees have experience which is directly relevant to the business of a public company operating and developing independent power projects in British Columbia:

- **Strong Local Connections.** All of the management nominees (other than Tanya DeAngelis) are based in British Columbia and have a lengthy history of doing business in the province.
- **Extensive Industry Experience.** 4 of the 6 management nominees have extensive experience with the construction industry or with developing and operating independent power projects in British Columbia.
- **Public Company Experience.** A majority of the management nominees have Canadian public company experience and the related governance expertise.

In addition, the management nominees include Tanya DeAngelis, who is the Dissident's spouse, in recognition of the fact that Russell, as a large shareholder, should have representation on the board and the access and influence available to a director. The Special Committee will also recommend that the board appoint an empowered Corporate Governance, Nomination and Compensation Committee comprised of three independent directors.

SPECIAL COMMITTEE MATTERS

The Special Committee also advises at this time that Paul O'Sullivan has resigned as a member of the Special Committee, and would like to thank Mr. O'Sullivan for his contribution. Mr. O'Sullivan stated, "When I agreed to serve on the Special Committee, I was hopeful a proxy contest could be avoided. As I am not standing for re-election, I am leaving the remaining members of the Special Committee to guide the Company during this challenging time. I'd like to acknowledge the ongoing commitment and dedication of the Special Committee."

VOTE TO PROTECT YOUR INTEREST IN SYNEX

Annual General Meeting

The Annual General Meeting of Synex's shareholders is scheduled for 10:00 a.m. (Vancouver time) on Friday, November 3, 2017 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia.

The Special Committee Recommendations

Your vote is extremely important.

The Special Committee unanimously recommends that Synex shareholders vote only the WHITE proxy or voting instruction form FOR the management nominees.

Shareholders who have previously voted the Dissident's proxy or voting instruction form and wish to support the management nominees have the right to change their vote by simply voting the WHITE proxy or voting instruction form.

For more information, Synex shareholders are encouraged to access the Management Information Circular of Synex on its website at www.synex.com or under Synex's profile at www.sedar.com.

VOTE TODAY. Time is of the essence and Synex shareholders are urged to vote online by following the instructions found on the WHITE proxy or voting instruction form to ensure votes are received in a timely manner. Vote no later than the deadline of November 1, 2017 at 10:00 a.m. (Vancouver time).

SHAREHOLDER QUESTIONS

Questions or requests for assistance with voting may be directed to Synex's proxy solicitor,

Laurel Hill Advisory Group

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