

**SYNEX INTERNATIONAL INC.  
NEWS RELEASE**

**TSX : SXI**

**September 19, 2018**

<b>SYNEX INTERNATIONAL INC. ANNUAL REPORT FOR FISCAL 2018</b>
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Revenue for the three months ended June 30, 2018 ("Q4 2018") was \$1,011,358 as compared to \$1,357,456 for the three months ended June 30, 2017 ("Q4 2017"). The revenue decrease is primarily from decreased generation of the hydroelectric plants due to dry conditions in May 2018.

Revenue for the fiscal year ended June 30, 2018 ("Fiscal 2018") decreased to \$3,314,738 from \$4,251,495 for the fiscal year ended June 30, 2017 ("Fiscal 2017"). The revenue decrease is due primarily a decrease of \$780,397 from electricity sales of hydro generation in fiscal 2018 as compared to fiscal 2017. In addition, the Engineering Division had a revenue decrease of \$156,370 in Fiscal 2018 as compared to Fiscal 2017.

Net loss attributable to shareholders for Q4 2018 was \$11,034 as compared to net income of \$325,297 in Q4 2017. The decrease in net income attributable to shareholders is primarily a result of record low generation at the hydroelectric plants which resulted in electricity sales of \$922,242 in Q4 2018 as compared to \$1,196,223 in Q4 2017.

Net loss attributable to shareholders for Fiscal 2018 was \$1,093,570 as compared to net income of \$95,092 in Fiscal 2017. The substantial loss and decrease in net income is a result of record low generation at the hydroelectric plants of the Company combined with a non-recurring expense of about \$350,000 due to the proxy contest initiated by a dissident shareholder. The dissident shareholder proposed that shareholders vote for his slate of directors. At the Annual General Meeting held on November 3, 2017, the management slate of directors was elected by the shareholders.

Net cash flow from operating activities for Fiscal 2018 was \$138,532 as compared to \$674,399 for Fiscal 2017. In May 2017, the Company suspended the annual dividend payment which had been paid annually in June since 2012 and stated the Company intended to reinstate the payment of an annual dividend after the completion of the McKelvie and Newcastle projects. The McKelvie and Newcastle projects continue in development and the Company did not reinstate the annual dividend in Fiscal 2018.

During Fiscal 2018, on June 20, 2018, Barr Creek Limited Partnership ("Barr Creek") issued additional partnership units and used the proceeds to make a debt principal repayment of \$690,000, without interest penalty, to the Canadian Western Bank. The Ehattesaht First Nation, the 20% partner in Barr Creek, fully supported the repayment and has applied for funding for its repayment portion as well as additional funding for the potential purchase of additional units of Barr Creek. The percentage ownership interest of the Company and the Ehattesaht First Nation remains unchanged, at this time.

During Fiscal 2018, on February 23, 2018, the Company announced the closing of a non-brokered private placement of 3,700,000 common shares at a price of \$0.45 per share for gross proceeds of \$1,665,000. The proceeds of the financing are expected to be used for development of the 4.3MW Newcastle Creek Project ("Newcastle"), the 5.0MW McKelvie Creek Project ("McKelvie") and general corporate purposes, including working capital.

During Fiscal 2018, the Company expended \$531,164 on Newcastle and \$51,145 on McKelvie. The largest single expenditure during the period was the payment in late January 2018 of \$370,000 to BC Hydro towards completing the studies and cost estimate for electrical interconnection of Newcastle. The work by BC Hydro is ongoing and is expected to continue into early calendar 2019. Separately, on March 14, 2018, BC Hydro announced that the Standing Offer Program would remain on hold until a review of BC Hydro by the provincial government is complete (the "Review"). BC Hydro did not provide an expectation of the timing of the Review. Subsequent to March 14, 2018, BC Hydro provided a letter purporting to reject McKelvie from the Standing Offer Program. The Company is disputing the letter and the purported rejection.

Subsequent to Fiscal 2018, the Company announced the appointment of David Baird as director. The Board of the Company is now composed of 7 directors, of which 5 directors have been newly appointed or elected since May 1, 2017. Corporate changes include the appointment of Mark Stephens as Corporate Secretary and Cliff Grandison as Chair of the Board.

The Company is a successful hydroelectric developer and consultant in British Columbia. The Company wholly owns or has proportionate interests in a total of 12MW of operating facilities and 9MW of construction ready facilities. In addition, the Company has applications for water licences and land tenure on over 24 potential hydroelectric sites totaling over 150MW of installed capacity.

*"G.Sunell"*

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**Forward Looking Statements** *This press release contains forward-looking statements that involve risks and uncertainties. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to change and to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Such statements are qualified in their entirety by the inherent risks and uncertainties including, but not limited to, changes in economic conditions, risks associated with the construction and operation of hydroelectric facilities, changes in government policies, closing of agreements and such other factors beyond the control of the Company. The Company assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.*