

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

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SYNEX INTERNATIONAL INC. FIRST QUARTER REPORT FOR FISCAL 2016
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For the three months ended September 30, 2015 (“Q1 2016”), revenue decreased to \$534,719 from \$613,619 in the corresponding period in fiscal 2015 (“Q1 2015”). The revenue decrease was due to reduced consulting services by the Engineering Division mostly offset by higher generation from Mears, Cypress and Barr Plants.

The net loss attributable to shareholders of the Company for Q1 2016 was \$513,750 as compared to a net loss attributable to shareholders of \$587,367 for Q1 2015. The net loss was mainly due to a loss from the operating plants and a loss on engineering services. A net loss in the first quarter is expected as the generation from hydro plants in the first quarter normally represents less than 10% of annual forecast generation. Due to lower generation in the third quarter of fiscal 2015, the Canadian Western Bank advanced the Company \$356,821 from the hydrology reserves of \$730,000. Net loss per share in Q1 2016 was \$0.02 as compared to a net loss per share of \$0.02 in Q1 2015.

Total generation at the Mears Plant during Q1 2016 was 1,404 MWh, which was 104% of the average generation of the twelve years of operation. Total generation at the Cypress Plant during Q1 2016 was 668 MWh, which was 116% of the average generation of the seven years of operation. Total generation at the Barr Plant during Fiscal Q1 2016 was 1,389 MWh, which was 164% of the average generation of the four years of operation.

Total electricity sales for the Kyuquot Utility for Q1 2016 were 307 MWh as compared to 289 MWh for Q1 2015 resulting in electricity sales of \$82,363 in Q1 2016 as compared to \$75,573 in Q1 2015.

The Engineering Division revenue for Q1 2016 was \$146,910 as compared to \$414,989 for Q1 2015. Net loss for Q1 2016 was \$52,479 as compared to net income of \$34,456 for Q1 2015. The decrease in revenue and net income in Q1 2016 from Q1 2015 is a result of significantly lower consulting opportunities.

During Fiscal 2010, Hawkeye Energy Corporation (“HEC”) entered into receivership and its assets, primarily 36 water licence applications, were conditionally sold by the Receiver to the Engineering Division under a bidding process. Prior to the closing of the sale to the Engineering Division, Hawkeye Power Corporation (“HPC”) advanced a claim of an unregistered prior right to the HEC assets. On November 21, 2011 a court dismissed the HPC claim. Subsequently, HPC filed for Notice of Appeal of the court decision. On October 18, 2012, the Appeal was upheld and a new trial was ordered. A new trial was held from June 30, 2014 to July 9, 2014. On July 29, 2014, the court rendered a decision dismissing the HPC claim. On August 28, 2014, HPC filed a Notice of Appeal and Stay of Motion in regards to the July 29, 2014 decision. The court denied the application by HPC for a Stay of Motion and the Company closed the purchase of the assets from the Receiver in December 2014. [Subsequent to September 30, 2015, the appeal by HPC was dismissed]. The Engineering Division is currently marketing the HEC assets for sale to third parties and on October 5, 2015, the Company announced the agreements with independent third parties had been executed regarding the sale of five of the water licence applications.

The capital expenditures in Q1 2016 in respect of the development of run-of-river hydro projects in British Columbia totaled \$57,098. The Power Division was most active on the proposed 5MW McKelvie Creek Project (the “McKelvie Project”) and the 4MW Newcastle Creek Project (the “Newcastle Project”). The Projects are expected to qualify for electricity purchase agreements under the current BC Hydro Standing Offer Program.

During Q1 2015, the Company has continued exploring the interest of third parties to partner on certain development projects of the Company.

The Company is a successful hydroelectric developer and consultant in British Columbia. The Company wholly owns or has proportionate interests in a total of 12 MW of operating facilities. In addition, the Company has

applications for water licences and land tenure on over 55 potential hydroelectric sites which are in various stages of development or intended for disposition. Mostly, the water licence applications are for projects with individual capacities of less than 10 MW. BC Hydro under the current Standing Offer Program accepts applications for electricity purchase agreements for up to forty years for projects with a maximum size of 15 MW and for which BC Hydro has a stated goal of acquiring 150 GWh per year.

“signed”

Greg Sunell, President

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Forward Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. These statements reflect our current expectations and are subject to change. They are subject to a number of risks and uncertainties including, but not limited to, changes in economic conditions, risks associated with the construction and operation of hydroelectric facilities, closing of agreements and changes in government policies. 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.