

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

TSX : SXI

May 7, 2018

SYNEX INTERNATIONAL INC. THIRD QUARTER OF FISCAL 2018
--

For the nine months ended March 31, 2018, revenue decreased to \$2,303,380 from \$2,894,039 in the corresponding period in fiscal 2017. The decrease is primarily due to a decrease in electricity generation as a result of adverse runoff conditions. Electricity generation for the nine months ended March 31, 2018 was the lowest on record for each of the three hydro plants. Electricity sales for the nine months ended March 31, 2018 were \$506,406 lower than the nine months ended March 31, 2017.

The Engineering Division revenue for the nine months ended March 31, 2018 was \$298,395 as compared to \$382,648 for the nine months ended March 31, 2017

The net loss attributable to shareholders of the Company for the nine months ended March 31, 2018 increased to \$1,082,536 from \$230,205 for the nine months ended March 31, 2017. For the nine months ended March 31, 2018, the loss per share was \$0.03 as compared to a loss per share of \$0.01 in the corresponding period in fiscal 2017. The increase in the net loss for the nine months ended March 31, 2018 is primarily due to the lower electricity sales and extraordinary expenses of about \$350,000 associated with 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.

The capital expenditures in respect of the development of run-of-river hydro projects in British Columbia for the nine months ended March 31, 2018 was \$544,879. 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 estimates for electrical interconnection of the Newcastle Creek Hydro Project to the BC Hydro grid. The work by BC Hydro is ongoing and 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 the McKelvie Creek Hydro Project from the Standing Offer Program. The Company is disputing the letter and the purported rejection.

The Company holds an 11% interest in Robson Valley Power Corporation ("RVPC") which owns the 3.3MW Ptarmigan Plant. BC Hydro and RVPC are currently negotiating for a renewed electricity purchase agreement, which negotiations have been continuing for an extended period of time.

On February 23, 2018, the Company announced the closing of a non-brokered private placement financing (the "Financing") 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 4.3 MW Newcastle Creek Hydro Project as well as general corporate purposes, including working capital. In addition, the Company announced that Arthur Irving Jr. has been appointed as a Director of the Company and Mark A Stephens has been appointed Corporate Secretary of the Company.

At March 31, 2018, the Company had a cash balance of \$1,804,881 as compared to \$946,117 at June 30, 2017. The total loan principal outstanding to the Canadian Western Bank was \$15,434,938 at March 31, 2018 as compared to \$16,252,575 at June 30, 2017. Loans payable at March 31, 2018 included a current portion of \$846,540 and a non-current portion of \$14,588,398. During Q3 2018, the Company reimbursed all previous advances from the Interest Reserve under the Synex Energy Credit Agreement.

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

“signed”

Greg Sunell, President

400 – 1444 Alberni Street, Vancouver B C V6G 2Z4
Phone (604) 688 8271 Ext. 309 Fax (604) 688 1286
E-mail: gsunell@synex.com Web Site: www.synex.com/

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 include but are not limited to, changes in economic conditions, risks associated with the construction and operation of hydroelectric facilities and changes in government policy and such other factors beyond the control of the Company and include statements regarding the advancement of the McKelvie and Newcastle projects. 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.