

**SYNEX INTERNATIONAL INC.  
NEWS RELEASE**

**TSX : SXI**

**February 6, 2017**

<b>SYNEX INTERNATIONAL INC. SECOND QUARTER OF FISCAL 2017</b>
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For the six months ended December 31, 2016, revenue increased to \$1,771,417 from \$1,635,094 in the corresponding period in fiscal 2016. The increase in revenue in the comparable six month periods was mainly due to higher electricity sales partly offset by reduced engineering services.

The net loss attributable to shareholders of the Company for the six months ended December 31, 2016 decreased to \$289,106 as compared to \$493,985 in the corresponding period in fiscal 2016. The decrease in net loss for the six months ended December 31, 2016 is primarily due to higher electricity sales and lower amortization expense. For the six months ended December 31, 2016, the loss per share was \$0.01 as compared to \$0.02 in the corresponding period in fiscal 2016. A net loss in the first six months is expected as the generation from hydro plants in the six months normally represents less than 39% of annual forecast generation.

Cash flow from operating activities for the six months ended December 31, 2016 was \$50,169 as compared to cash requirement of \$132,071 for the six months ended December 31, 2015.

The capital expenditures in respect of the development of run-of-river hydro projects in British Columbia for the six months ended December 31, 2016 was \$187,011 as compared to \$162,935 for the six months ended December 31, 2015. The Power Division was most active on the proposed 4.3MW Newcastle Creek Project (the "Newcastle Project") and 5MW McKelvie Creek Project (the "McKelvie Project"). On March 23, 2016 and August 22, 2016, respectively, the Company announced that the Newcastle Project and McKelvie Project had been accepted by BC Hydro under the Standing Offer Program – Target Volume Management System. Draft Electricity Purchase Agreements are now being prepared. On October 28, 2016, the Company announced the closing of a non-brokered private placement of 750,000 common shares at \$0.43 per share for gross proceeds of \$322,500. The use of proceeds was for the advancement of the Newcastle Project and general corporate purposes, including working capital.

The Company is continuing to explore alternative sourcing of funds necessary to advance the Newcastle and McKelvie Projects, including the issuance of treasury shares.

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 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"*

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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 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, except as required by applicable law.*

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