

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

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SYNEX INTERNATIONAL INC. ANNUAL REPORT FOR FISCAL 2017

Revenue for the three months ended June 30, 2017 (“Q4 2017”) was \$1,357,456 as compared to \$751,966 for the three months ended June 30, 2016 (“Q4 2016”). The revenue increase is from increased generation of the hydroelectric plants as a result of much higher snow accumulation at April 1, 2017 as compared to April 1, 2016.

Revenue for the twelve months ended June 30, 2017 (“Fiscal 2017”) increased to \$4,251,495 as compared to \$3,881,148 for the twelve months ended June 30, 2016 (“Fiscal 2016”). The revenue increase is due to higher revenue for the Power Division and the Engineering Division. The higher revenue for the Power Division was from hydrologic conditions causing generation to be slightly above average in Fiscal 2017 as compared to slightly below average in Fiscal 2016. The Engineering Division continues to be impacted by reduced activity in the run-of-river hydro sector in British Columbia.

The net income attributable to shareholders for Q4 2017 was \$325,297 as compared to \$10,993 in Q4 2016. Income per share in Q4 2017 was \$0.01 as compared to \$0.00 in Q4 2016. The increase in income attributable to shareholders was a result of increased generation from the Mears, Cypress and Barr Plants in Q4 2017 as compared to Q4 2016.

Net income attributable to shareholders for Fiscal 2017 was \$95,092 as compared to \$29,128 for Fiscal 2016. The increase in net income attributable to shareholders resulted from revenues in Fiscal 2017 being \$370,347 higher than in Fiscal 2016 which were mostly offset by an increase of \$234,954 in salaries, general and administrative (“SG&A”) expenses. Net income per share in Fiscal 2017 was \$0.00 as compared to a net income per share of \$0.00 in Fiscal 2016.

Net cash flows from operating activities for Fiscal 2017 were \$1,060,960 as compared to \$949,999 for Fiscal 2016. In May 2017, the Company announced it was suspending the annual dividend payment which had been paid annually in June since 2016. The additional cash available to the Company was needed primarily for expenditures on the Newcastle Creek and McKelvie Creek Projects

During Fiscal 2017, the Supreme Court of British Columbia dismissed the second phase of the claim by Hawkeye Power Corporation (“HPC”) against the Engineering Division. The first phase of the claim by HPC in respect of the ownership of thirty-six water licence applications located in southwestern British Columbia had been dismissed more than one year previously. The Engineering Division has closed the sale of five of the water licence applications and is continuing to market the remaining assets.

During Fiscal 2017, the Company expended \$301,756 on the development of hydroelectric projects. Most of the expenditures were for the 4MW Newcastle Creek Project (“Newcastle”) and the 5MW McKelvie Creek Project. In a news release dated March 23, 2016, the Company announced that Newcastle had been approved by BC Hydro under the Standing Offer Program, Target Management System for 2018 and on August 22, 2016, the Company announced that McKelvie had been approved by BC Hydro under the Standing Offer Program, Target Management System for 2018. The next step in the SOP program is a formal offer from BC Hydro of an electricity purchase agreement (“EPA”) for each of Newcastle and McKelvie. An initial draft of an EPA for Newcastle was received by the Company during Fiscal 2017.

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 over 24 potential hydroelectric sites totaling over 150MW of installed capacity. The proposed hydroelectric developments of the Company generally target the requirements of the current Standing Offer Program administered by BC Hydro. In August 2017, the provincial government cabinet directed the British Columbia Utilities Commission (the ‘BCUC’) to examine the financial impact on the BC Hydro ratepayers associated with continuing, pausing or ceasing the ongoing construction of the BC Hydro 1100MW Site C Project. The BCUC is to publish their final report on November 1, 2017. BC Hydro has advised that the review of its Standing Offer Program will be delayed during this time period.

“G.J.Sunell”

Greg Sunell, President

400 – 1444 Alberni Street, Vancouver, BC, V6G 2Z4
Phone (604) 688-8271 Ext. 309 Fax (604) 688-1286
E-mail: gsunell@synex.com Website: 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 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.*