

SYNEX INTERNATIONAL INC.

NEWS RELEASE

TSX : SXI

October 16, 2017

SYNEX INTERNATIONAL INC. SETS THE RECORD STRAIGHT

Your vote is extremely important.

Make an Informed Choice and Vote the WHITE Proxy to Protect your Investment.

The Special Committee of Synex International Inc. (TSX:SXI) (the “**Company**” or “**Synex**”) wishes to correct accusations made by Daniel Russell (the “**Dissident**” or “**Russell**”) and provide shareholders with more information about his supposed plans for the Company. The Special Committee is concerned about the continued misleading information being put forth by Russell. His claim of shareholder support consists primarily of his own and related family members’ shares. Don’t let the Dissident speak for you. After reading the following facts, the Special Committee is confident that you will join the rest of your fellow shareholders and vote the WHITE proxy.

STILL NO UNDERSTANDING OF THE BUSINESS

Russell has characterized himself as being on the sidelines, powerless to intercede or influence the Company’s past performance. To the contrary, Russell is and has been a director with the full access that is provided to such persons. As a director, Russell has thwarted change or progress by the Company. Management has recently presented to the board for evaluation, several business and financing alternatives, only to have each rejected by Russell.

An example of Russell’s failure to understand the business of the Company is exemplified by the following statement in his dissident circular

“Additionally, management continues to spend valuable cash reserves on development projects (McKelvie Hydro Project, Newcastle Hydro Project and Victoria Lake Hydro Project) despite such projects being marred in regulatory uncertainty in British Columbia.”

The Facts

The Special Committee believes there is significant near-term growth for Synex expected through the Newcastle and McKelvie Hydro Projects and that ceasing work in order to conserve cash resources would be short-sighted and could put the value of these development projects at risk.

In addition, Russell, in his dissident circular states:

“When challenged by Daniel Russell over critical strategic business matters, the President's immediate reaction was to appoint a friendly director and nominate another to the board in order to insulate himself from scrutiny in a desperate act of entrenchment.”

The Facts

The president of a public company cannot appoint a director to its board, such an appointment requires the approval of a majority of the directors. Russell and Tanya DeAngelis (his spouse and also a director) failed to

oppose the motion to appoint Mr. Stephens as a director when, by doing so, they could have prevented that appointment.

Also, Russell suggests impropriety on the part of management when he states:

"The President, together with another director, also exercised options to increase the number of votes they would have at the Meeting, while denying that same opportunity to Mr. Russell and another optionholder."

The Facts

Russell claims to have been denied the opportunity to exercise options prior to the record date for the shareholder meeting. The Special Committee understands that the simple fact is that Russell failed to complete and submit the required documentation to exercise his options in a timely manner.

The Special Committee has decided that it will recommend that the Board appoint: (i) a Strategic Operations Committee, which will be empowered to be responsible for considering and making recommendations in regard to the Company's strategic direction and planning with a view to enhancing corporate and shareholder value; and (ii) an empowered Corporate Governance, Nomination and Compensation Committee comprised of three independent directors.

Positive change is on the side of the incumbent nominees, not Russell.

STILL NO PLAN

Russell has now had plenty of time and many opportunities to provide shareholders with his clear vision for the direction and future of the Company; however, **he has failed to do so**. If Russell wants to take control of the Company and install his own handed-pick slate of directors, shouldn't he,

- give shareholders a well-reasoned and detailed plan?
- provide details of his ideas for the future of the Company?
- provide shareholders with some notion of his transition strategy?

These are critical questions, questions which Russell has failed to answer. By not answering these questions, Russell has failed to demonstrate that a wholesale board change is warranted and that his nominees are more likely to affect positive change – the minimum requirements to support a dissident as recommended by ISS (a well-known proxy advisory firm).

STILL NO LEADERSHIP

Russell has yet again failed to address who will lead the Company on a day-to-day basis going forward. Shareholders have a right to know who the future executive leaders of the Company will be. Shareholders are effectively being asked by Russell to board a flight without a known pilot or even a flight plan. Who will replace the extensive knowledge and experience of senior management and/or key personnel if they leave or are replaced? **Russell's unwillingness to tell shareholders about his plans for the executive leadership of the Company is troubling and should be worrisome to shareholders.**

Russell's lack of plan is also revealed at the Board level. The shareholders of the Company have previously set the size of the Board at six, yet Russell has proposed only five nominees. In fact, at the shareholder meeting, the six nominees with the most votes will be elected to the Board. Russell's dissident proxy circular indicates that he intends "to reduce the board to five (5) at the next opportunity." Again, Russell provides no details as to who may depart from the Board or how these changes may occur or be implemented. Russell's "plan" not only provides no clear picture about the strategic direction of the Company, its business plans or who will be part of the day-to-day

management team, Russell's "plan" also includes uncertainty about who will actually be on the Board following the shareholder meeting.

MANAGEMENT SLATE STRENGTH

Management and the management nominees have experience which is directly relevant to the business of a public company operating and developing independent power projects in British Columbia. Unlike the Dissident and certain of his nominees, management and the management slate have:

- **strong local connections, extensive industry experience and substantial public company governance experience.**
- **a history of successfully designing, building and operating medium-sized hydroelectric plants – a complex set of tasks that require specialized and diverse skill sets.**
- **broad-based support from shareholders, unlike the Dissident's primary support from his spouse and members of his family.**

Management's slate (as found on your WHITE proxy) includes Tanya DeAngelis, who is the Dissident's spouse, in recognition of the fact that Russell, as a large shareholder, should have representation on the Board and the access and influence available to a director.

The nominees listed in your WHITE proxy represent the best choice for the Company who will act in the best interests of all shareholders.

VOTE TO PROTECT YOUR INVESTMENT IN SYNEX

Annual General Meeting

The Annual General Meeting of Synex's shareholders is scheduled for 10:00 a.m. (Vancouver time) on Friday, November 3, 2017 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia.

The Special Committee Recommendations

Your vote is extremely important.

The Special Committee unanimously recommends that Synex shareholders vote only the WHITE proxy or voting instruction form FOR the management nominees.

Shareholders who have previously voted the Dissident's proxy or voting instruction form and wish to support the management nominees have the right to change their vote by simply voting the WHITE proxy or voting instruction form. It is the later dated proxy which will count.

For more information, Synex shareholders are encouraged to access the Management Information Circular of Synex on its website at www.synex.com or under Synex's profile at www.sedar.com.

VOTE TODAY. Time is of the essence and Synex shareholders are urged to vote online by following the instructions found on the WHITE proxy or voting instruction form to ensure votes are received in a timely manner. **Vote no later than the deadline of November 1, 2017 at 10:00 a.m. (Vancouver time).**

SHAREHOLDER QUESTIONS

Questions or requests for assistance with voting may be directed to Synex's proxy solicitor,

Laurel Hill Advisory Group

Toll free in North America: 1 (877) 452-7184

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Email: assistance@laurelhill.com