

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

TSX : SXI

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SYNEX INTERNATIONAL INC. FIRST QUARTER OF FISCAL 2017
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For the three months ended September 30, 2016 (“Q1 2017”), revenue decreased to \$516,493 from \$534,719 in the corresponding period in fiscal 2016 (“Q1 2016”). The decrease in revenue is mainly attributable to a reduction in engineering assignments and slightly lower generation at the hydroelectric plants.

The net loss attributable to shareholders of the Company for Q1 2017 was \$472,187 as compared to a net loss attributable to shareholders of \$513,750 for Q1 2016. 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. The decrease in net loss was mainly due to reduced amortization of the penstocks for the operating plants. The net loss per share in Q1 2017 was \$0.01 as compared to \$0.02 in Q1 2016.

The capital expenditures in respect of the development of run-of-river hydro projects in British Columbia in Q1 2017 was \$84,352 as compared to \$57,099 in Q1 2016. 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 for a Target Commercial Operation Date of 2018. Subsequent to the end of Q1 2017, 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.

During Q1 2017, the Company continued 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. In addition, the Company has applications for water licences and land tenure on over 50 potential hydroelectric sites which are in various stages of development or intended for disposition.

“G.J.Sunell”

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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