

**SYNEX INTERNATIONAL INC.
NEWS RELEASE**

TSX : SXI

September 16, 2016

SYNEX INTERNATIONAL INC. ANNUAL REPORT FOR FISCAL 2016

Revenue of Synex International Inc. (the “Company”) for the fiscal year ended June 30, 2016 (“fiscal 2016”) decreased to \$3,881,148 from \$4,065,313 for the fiscal year ended June 30, 2015 (“fiscal 2015”). The revenue decrease is due to lower revenue for the Engineering Division partly offset by higher revenue for the Power Division. The lower revenue for the Engineering Division is a result of reduced activity in the run-of-river hydro sector in British Columbia. The higher revenue for the Power Division was a result of hydrologic conditions being closer to average in fiscal 2016 as compared to very adverse hydrologic conditions in fiscal 2015.

Net income attributable to shareholders for fiscal 2016 was \$29,128, a significant improvement over the net loss attributable to shareholders of \$544,640 for fiscal 2015. The improvement in net income is due to lower salaries, general and administrative (“SG&A”) expenses and lower amortization. The reduction in SG&A was mainly due to reduced personnel hours in the Engineering Division. The lower amortization was a result of an increase in the expected service life of the penstocks for the three operating hydro plants.

Cash flow from operating activities for fiscal 2016 increased to \$922,215 from \$429,361 for fiscal 2015. In late June 2016, the Company made its fifth annual dividend payment to eligible shareholders.

During fiscal 2016, the Company expended \$475,216 on development of hydroelectric projects. Most of the expenditures were for the 4.3MW Newcastle Creek Project (“Newcastle”), the 5.3MW McKelvie Creek Project (“McKelvie”) and the 9.9MW Victoria Lake Project (“Victoria”). In a news release dated March 23, 2016, the Company advised that Newcastle had been approved by BC Hydro under the Standing Offer Program, Target Management System for 2018. Further, in a news release dated August 22, 2016, the Company advised that McKelvie had been approved by BC Hydro under the Standing Offer Program, Target Management System for 2018. Victoria is in the early regulatory stage.

During Fiscal 2016, the Engineering Division entered into two purchase and sale agreements covering 5 water licences related to the acquisition of 36 water licences from the Receiver for Hawkeye Energy Corporation (“HEC”). On April 22, 2016, Hawkeye Power Corporation was denied leave to appeal by the Supreme Court of Canada regarding the decision denying their claim to the HEC assets. In May 2016, the Engineering Division closed one of the purchase and sale agreements. The Engineering Division is continuing to market certain of the HEC assets.

The Company closed two private placements during the Fiscal 2016 covering the issuance of 1,315,000 shares priced at an average of \$0.406 per share for gross proceeds of \$534,000.

The Company is continuing to advance Newcastle and McKelvie with an expectation of construction commencing after the completion of a potential significant private placement or partnering agreements.

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. In addition, the Company has applications for water licences and land tenure on over 55 potential hydroelectric sites which are in various stages of development or intended for disposition. Mostly, the water licence applications are for projects with individual capacities of less than 10 MW.

“signed”

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, closing of agreements 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.

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