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LYNNWOOD CAPITAL INC.

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LYNNWOOD CAPITAL INC.
ANNOUNCES ARM'S LENGTH QUALIFYING TRANSACTION WITH TANTALEX
CORPORATION

May 9, 2012

TSX Venture Exchange
Trading Symbol: LCI.P

Lynnwood Capital Inc. ("**Lynnwood**"), a capital pool company pursuant to Policy 2.4 of the TSX Venture Exchange (the "**TSX-V**"), is pleased to announce that it has entered into an agreement (the "**Letter Agreement**") made as of May 9, 2012 with Tantalex Corporation, a private corporation existing under the laws of Canada ("**Tantalex**"). Pursuant to the terms of the Letter Agreement and subject to completion of satisfactory due diligence and receipt of all necessary regulatory, shareholder and TSX-V approvals, Lynnwood and Tantalex will complete a triangular amalgamation or similar type of transaction (the "**Transaction**") by a federally incorporated wholly-owned subsidiary of Lynnwood amalgamating with Tantalex to form a newly amalgamated entity which will become a wholly owned subsidiary of Lynnwood (the "**Subsidiary**"). It is expected that the Transaction will qualify as Lynnwood's "qualifying transaction" as defined in TSX-V Policy 2.4.

Tantalex is a mining exploration corporation active in central Africa which owns the Tantalum and Niobium properties in the Republic of Congo.

Each common share of Tantalex outstanding at closing ("**Closing**") is expected to be exchanged for one common share of the resulting issuer ("**Resulting Issuer**"), and each outstanding convertible security of Tantalex is expected to be exchanged for comparable convertible securities of the Resulting Issuer on the same terms; however, the final exchange ratios may vary depending upon final valuations agreed to by the parties.

Concurrently with Closing but before the Financing (defined below), the Resulting Issuer is expected to conduct a reverse split to decrease the number of shares issued and outstanding to approximately 35,000,000 shares (the "**Consolidation**").

The parties have agreed to execute a definitive agreement (the "**Definitive Agreement**") on or before June 13, 2012, subject to completion by both parties of satisfactory due diligence and the approval of the TSX-V.

Private Placement Financing

Concurrently with Closing, the parties will complete a brokered private placement of a minimum of \$3,000,000 and a maximum of \$5,000,000 into either Tantalex or the Resulting Issuer (the "**Financing**"). The Financing is expected to be led by Byron Capital Markets Ltd.

The Resulting Issuer

At Closing, it is expected that the Resulting Issuer will change its name to "Tantalex Resources Inc." or such other name as the parties may agree to.

It is expected that upon Closing, Lynnwood will meet at least the Tier 2 standards of a mining issuer and be listed as a Tier 1 or Tier 2 mining issuer on the TSX-V. In connection with the Transaction, Tantalex has commissioned a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* compliant report for its mineral property in the Republic of Congo.

Additional details on the Transaction will be announced in a subsequent news release once the Definitive Agreement has been executed, pursuant to the requirements set forth in Section 12.2 of TSX-V Policy 2.4. Trading in Lynnwood's common shares on the TSX-V is halted and will remain halted until the Transaction has been completed or the Letter Agreement is terminated.

On behalf of the Board of Directors,

"Robert Lipsett"

President, Chief Executive Officer and Director

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Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable pursuant to TSX-V Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Disclaimer for Forward-Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Lynnwood's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the business plans of Lynnwood, Tantalex and the Subsidiary, the Transaction (including the structure of the Transaction), the Financing (including TSX-V approval, the Consolidation, the proposed name change of the Resulting Issuer, and the completion or termination thereof) and the board of directors and management of the resulting issuer upon completion of the Transaction. Such statements and information reflect the current view of Lynnwood with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following risks:

- there is no assurance that the Transaction will be concluded;
- there is no assurance that the Financing will be completed or as to the actual proceeds to be raised in connection with the Financing or as to the offering price to be realized. In particular, the amount raised may be significantly less than the amounts indicated if investors are not prepared to invest and may dictate the offering price; and
- there is no assurance that the approval of the TSX-V required to complete the Transaction will be obtained. Further, approval of the TSX-V may be conditional upon amendments to the transactions disclosed herein.

There are a number of important factors that could cause Lynnwood's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include: the timing and content of work programs, results of operation activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimates, receipt and security of mineral property titles, receipt of licenses to conduct mining

activities, project cost overruns or unanticipated costs and expenses, fluctuations in metal prices and general market and industry conditions.

Lynnwood cautions that the foregoing list of material factors is not exhaustive. When relying on Lynnwood's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Lynnwood has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF LYNNWOOD AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE LYNNWOOD MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.