

## LYNNWOOD CAPITAL INC. ANNOUNCES FURTHER DETAILS OF PROPOSED QUALIFYING TRANSACTION WITH TANTALEX CORPORATION

**Toronto, Ontario** (June 11th, 2012) Lynnwood Capital Inc. (“**Lynnwood**”) (TSXV:LCIP), a capital pool company as defined under Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”), is pleased to announce that it has entered into an agreement (the “**Letter Agreement**”) dated May 9, 2012 for the arm's length acquisition of 100% of the common shares (the “**Tantalex Shares**”) of Tantalex Corporation (“**Tantalex**”), a company incorporated under the *Canada Business Corporations Act*. Pursuant to the terms of the Letter Agreement and subject to completion of satisfactory due diligence and receipt of all necessary regulatory and Exchange approvals, the proposed acquisition of Tantalex will qualify as Lynnwood's “qualifying transaction” as defined in Policy 2.4.

### About Tantalex Corporation

Tantalex is a mining exploration corporation, which was incorporated on October 5, 2011 for the purpose of acquiring Tantalum mining properties in Central African countries. The Corporation is headquartered in Brossard, QC and is not a reporting issuer.

In 2011, Tantalex entered the Republic of Congo (“**ROC**”) with the objective to acquire Tantalum exploration projects. According to Tantalex, the ROC offers attractive prospecting and exploration opportunities for Tantalum in terms of ore quality, based on documented historical small scale exploitation in the Mayoko region. ROC has also the advantage of being able to provide for adequate ore traceability with the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) with regards to conflict-free minerals. On October 22, 2011, Tantalex entered into a share purchase agreement to purchase all of the issued and outstanding shares of SADEM-CONGO SARL (“**SADEM**”) through its wholly-owned subsidiary Sandstone Worldwide Ltd. SADEM is a limited liability corporation registered under Congolese laws which owns 100% of a 6,000 km<sup>2</sup> Tantalum mining concession in the ROC located approximately 300 km north of Pointe Noire, the second largest city in the ROC. Pursuant to the acquisition of SADEM, Tantalex retained the services of IOS Geoscientifique (“**IOS**”), an independent geologist advisory firm, for the purpose of preparing a NI 43-101 compliant technical report. The report was prepared by geologist Rejean Girard from IOS.

### Financial Information

On the basis of the unaudited consolidated financial statements of Tantalex for the year ended December 31, 2011, Tantalex had total assets of \$489,749, liabilities of \$689,727, a shareholders' equity of (\$199,978) and working capital of \$ 45,585 (as of the date of the present press release, Tantalex has a cash position of \$51,102.

### About the Proposed Transaction

Lynnwood and Tantalex have agreed to combine their businesses by means of a triangular amalgamation (the “**Amalgamation**”). The Amalgamation will effectively provide for the acquisition of all of the outstanding equity interests of Tantalex by Lynnwood indirectly through a wholly owned federally incorporated subsidiary of Lynnwood (the “**Amalgamation Entity**”) in a transaction in which the shareholders of Tantalex will receive shares of Lynnwood (the “**Lynnwood Shares**”) and, if applicable, convertible securities of Lynnwood. As a result of the Amalgamation of Amalgamation Entity and Tantalex (the “**Amalgamated Corporation**”), Lynnwood will become the sole beneficial owner of all of the outstanding shares of Amalgamated Corporation.

The Amalgamation will result in Lynnwood issuing to Tantalex shareholders one Lynnwood Share for each Tantalex Share held, and the convertible securities of Tantalex will be exchanged for convertible securities of Lynnwood on the same terms and conditions attached to such convertible securities prior to the Amalgamation.

As at the date hereof, there are 9,250,000 Lynnwood Shares issued and outstanding and convertible securities (options) exercisable for 1,050,000 Lynnwood Shares, and 78,000,000 Tantalex Shares issued and outstanding and convertible securities exercisable for 12,000,012 Tantalex Shares, not taking into account the Tantalex Shares to be issued pursuant to the Private Placement (defined below). Accordingly, if the Amalgamation were to be completed today, Lynnwood would issue an aggregate of 78,000,000 Lynnwood Shares to the shareholders of Tantalex.

Accordingly, the Amalgamation will constitute a reverse take-over of Lynnwood and the Qualifying Transaction of Lynnwood.

The Amalgamation is an arm's length transaction and therefore is not a related party transaction. As a result, no meeting of Lynnwood shareholders is required as a condition to completion of the Amalgamation.

Following completion of the Amalgamation, the Amalgamated Corporation will be a wholly owned subsidiary of Lynnwood. The parties also agreed that, subject to Exchange approval, a finder's fee of \$65,000 will be payable to Eosphoros Asset Management Incorporated in connection with the Amalgamation, the whole as provided for in the Exchange's policies.

All parties shall use their good faith efforts to complete and be in a position to execute a definitive agreement relating to the Amalgamation on or before June 15, 2012 (or such other date as may be mutually agreed to by Lynnwood and Tantalex).

### **Concurrent Private Placement**

Concurrently with the execution of the Amalgamation, Tantalex has engaged Byron Capital Markets Ltd. (the "**Agent**") to act as lead agent in connection with a brokered "best efforts" private placement of subscription receipts (the "**Subscription Receipts**") of Tantalex at an issue price per Subscription Receipt that shall be determined prior to completing the Private Placement (as defined below) (the "**Issue Price**") to raise aggregate gross proceeds of a minimum of \$3,000,000 and a maximum of \$5,000,000 (the "**Private Placement**"). The gross proceeds of the Private Placement, less the expenses of the Agent payable by Tantalex, are to be deposited in escrow pending satisfaction of all conditions precedent to the Amalgamation and the obtaining of all required director and third party approvals for the Amalgamation, in each case to the satisfaction of the Agent and Tantalex not being in breach of various covenants (collectively, the "**Escrow Release Conditions**").

Each Subscription Receipt will automatically be exercised without payment of any additional consideration and without any further action by the holder thereof, into one unit (each, a "**Unit**") of Tantalex upon satisfaction of the Escrow Release Conditions, subject to adjustment in certain events. Each Unit shall be comprised of one Tantalex Share and one common share purchase warrant ("**Warrant**"). Each Warrant will entitle the holder thereof to purchase an additional Tantalex Share (each, a "**Warrant Share**") at an exercise price per Warrant Share which shall be determined prior to completion of the Private Placement, at any time prior to the date that is twelve (12) months from the date of trading of the Lynnwood Shares on the Exchange following the completion of the Amalgamation, subject to adjustment in certain events .

The Private Placement is anticipated to close in mid-to-late June 2012. If the Escrow Release Conditions are not satisfied prior to 5:00 pm on August 31, 2012 (the "**Escrow Deadline**"), the Escrowed Funds plus accrued interest shall be used by Tantalex to repurchase the Subscription Receipts for cancellation at a price per Subscription Receipt equal to the Issue Price.

For the Agent's services in connection with the Private Placement, Tantalex has agreed to pay to the Agent a cash commission equal to 8.0% of the gross proceed (the "**Commission**") realized by Tantalex in respect of the sale of Subscription Receipts. As additional consideration for the services of the Agent, Tantalex has agreed to issue the Agent compensation warrants (the "**Compensation Warrants**") entitling the Agent to subscribe for that number of Units as is equal to 8.0% of the total number of Subscription Receipts sold pursuant to the Private Placement. Each Compensation Warrant will be exercisable for a period of twelve (12) months following the date of trading of the Lynnwood Shares on the Exchange following the completion of the Amalgamation at an exercise price equal to the Issue Price.

The net proceeds from the Private Placement will be used to finance Tantalex's expenditures on its mineral properties and for general working capital.

Completion of the Amalgamation is conditional upon all necessary regulatory approvals, including the approval of the Exchange, closing of the concurrent Private Placement, and other conditions which are typical for a business combination transaction of this type.

After giving effect to the Amalgamation, it is expected that Tantalex will carry on business under the name "Tantalex Resources Inc." (or such other name as may be acceptable to applicable authorities) and the Lynnwood Shares are expected to be listed on the Exchange under a new trading symbol.

### **Proposed Management**

The proposed management of Tantalex following the completion of the Amalgamation will include:

#### **DAVE GAGNON (DIRECTOR / CEO)**

Dave Gagnon is currently the Chief Executive Officer of Tantalex Corporation and Chairman of Charbone Buckell Ltd., a private equity firm focusing on resources investments. Mr. Gagnon has been involved in the resources and energy sectors for thirty years. Before his involvement with Tantalex, he was the founder and CEO of AAER, a publicly traded Canadian renewable energy company. Mr. Gagnon was also involved with Exportdev, a subsidiary of the Caisse de dépôt et placement du Québec in partnership with Bombardier, SNC Lavalin and Telesystems which had a mandate to promote Canadian companies internationally. Mr. Gagnon started his career developing a privately held resources company with exports in Asia and the U.S.A. He is as well currently involved on the board of directors of different privately held resources companies in Canada and abroad.

#### **JEAN-ROBERT PRONOVOST (DIRECTOR/CFO)**

Jean-Robert Pronovost is currently the Chief Financial Officer of Tantalex Corporation and Managing Partner at Charbone Buckell Ltd., a private equity firm focusing on mining investments. Before his involvement with Tantalex, Mr. Pronovost was a partner and co-founder Cape Partners, a private equity advisory firm, and IUGO Capital, a venture capital firm with investments in Canada, the United States and Europe. Mr. Pronovost was responsible for direct investments and was a board member of several portfolio companies. He was also part of Groupe Vidéotron's management team where he completed many foreign strategic investments and divestitures. Prior to Vidéotron, Mr. Pronovost spent four years at Credit Suisse First Boston advising on large mergers and acquisitions and executing public and private financings for Canadian and foreign corporate clients. He also work six years at various positions at the Caisse de Dépôt et Placement du Quebec where he elaborated investment allocation strategies and securitization vehicles for alternative assets. He began his career at British Telecom as a financial analyst. Mr. Pronovost has a degree in economics and finance from Laval University and a MBA from UQAM.

#### **MICHEL LEBEUF (DIRECTOR AND CORPORATE SECRETARY)**

Mr. Lebeuf's legal practice is focused on securities, particularly in the area of natural resources, institutional financing, corporate finance, as well as public and private mergers and acquisitions. Represents public corporations, securities brokers, purchasers, sellers, bankers and financial advisors. Provides strategic advice with respect to access to public capital markets and securities matters, including structured products. Acted as counsel to international dealers in several offerings in the Eurobond international debt market. Also represented public and private corporations in various mergers and acquisitions. Acts for issuers and underwriters in the context of public offerings and private placements in Canada, Europe, South America and North Africa. Has been involved, over the past two years, in many mining projects in Africa (Congo ROC and DRC), Ethiopia, Angola, etc. and is regularly contacted by mining promoters, mining companies and investment banking firms wanting to put together mining projects in these countries. Has expertise in corporate reorganizations, public and private divestitures, and institutional financing. Regularly provides counsel to financial institutions regarding security requirements and the drafting of documents pertaining to enforcement proceedings.

In addition to the foregoing, one or more additional officers and directors will be appointed in compliance with the polices of the Exchange.

## **Sponsorship of Qualifying Transaction**

Tantalex intends to make application to Exchange that the Qualifying Transaction should be exempt from sponsorship requirements in accordance with Policy 2.2 of the Exchange. However, there can be no assurance that Tantalex will obtain such exemption.

The information in this press release related to Tantalex, its business and the proposed management of Lynnwood following the completion of the Amalgamation was provided to Lynnwood by Tantalex.

For more information please contact:           Robert Lipsett  
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*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange 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.*

*The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Although Lynnwood believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, Lynnwood disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.*

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