LYNNWOOD CAPITAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter ended May 31, 2012

Management's Discussion and Analysis
<u>For the quarter ended May 31, 2012</u>
Dated as of July 27, 2012

The purpose of this Management's Discussion and Analysis ("MD&A") is to explain management's point of view on Lynnwood Capital Inc.'s ("Lynnwood" or the "Company") past performance and future outlook. This report should be read in conjunction with the unaudited interim financial statements and the related Notes for the three months ended May 31, 2012 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Results are reported in Canadian dollars, unless otherwise noted. The results presented for the three months ended May 31, 2012, are not necessarily indicative of the results that may be expected for any future periods.

On March 1, 2011, the Company adopted IFRS. The audited financial statements for the year ended February 29, 2012 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Company's financial statements are expressed in Canadian (CDN) dollars. Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com

Forward-looking statements
Certain sections of this Management Discussion and Analysis may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of July 27, 2012.

Description of Business and Overview
Lynnwood is a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than cash. Until such time as the Company completes a Qualifying Transaction as required by the Exchange, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities. The Company entered into an agreement on May 9, 2012 to complete a transaction that will qualify as the Company's Qualifying Transaction, refer to "Qualifying Transaction" section of this report.

On May 3, 2010, the Company received final receipts for its initial public offering ("IPO") to issue 2,000,000 common shares at a price of $0.10 per share for total gross proceeds $200,000. The Company completed the IPO on June 30, 2010 and commenced trading on the TSX Venture Exchange ("TSX-V") on July 6, 2010 under the symbol LCI.P.

Critical Accounting Estimates
The preparation of the unaudited interim financial statements requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited interim financial

statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the $nil provision for income taxes which is included in the unaudited interim statements of operations, comprehensive loss and the valuation allowance on deferred income tax assets and liabilities included at May 31, 2012.

Significant Accounting Policies

Basis of presentation
These unaudited financial statements have been prepared on the historical cost basis except for certain financial instruments classified as fair value through profit or loss (“FVTPL”), which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency
These unaudited condensed interim financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Cash
Cash includes cash on hand with a Canadian chartered bank.

Stock based compensation
The Company accounts for stock based compensation granted to directors and third parties using the fair value method of accounting. Accordingly, the fair value of the options is determined using the Black Scholes option pricing model, and stock based compensation is accrued and charged to operations, with an offsetting credit to reserves, on a straight line basis over the vesting periods. The amount recognized as an expense is adjusted to reflect the actual number of stock options for which the related service and non-market vesting conditions are net. If and when the stock options are exercised, the applicable amounts of reserves are transferred to share capital.

Loss per share
Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculations. The Company uses the treasury stock method to compute the dilutive effect of options and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the period. Outstanding options were not included in the computation of diluted loss per share as they are anti-dilutive.

Included in share capital are 7,200,000 common shares outstanding as of May 31, 2012 which are contingently cancellable and have been excluded from the weighted average number of shares outstanding.

Income taxes
Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of operations and comprehensive loss. Current tax expense is

the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, as well as the benefit of losses available to be carried forward to future years for tax purposes. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are recorded in the financial statements if realization is considered probable.

Deferred financing costs
These costs relate directly to the proposed issuance of shares by the Company pursuant to the initial public offering described in Note 4. Upon completion of the initial public offering, the costs were charged against capital stock.

Use of estimates
The preparation of financial statements in conformity with IFRS principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results could differ from those estimates. Significant estimates made include estimates of the net recoveries of the HST receivable balance, stock based compensation and deferred tax provisions.

Financial instruments
All financial instruments are measured based on the classification adopted for the financial instrument: fair value through profit and loss ("FVTPL"), held to maturity, loans and receivables, available for sale or other liability.

Financial assets
All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL which are initially measured at fair value.

Financial liabilities
Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.

Other financial liabilities
Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities

The Company's financial instruments measured at fair value on the balance sheet consist of cash. Cash is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

• Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
• Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
• Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC but are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(a) IFRS 9 Financial instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted.

(b) IFRS 10 ‘Consolidated Financial Statements’ – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

(c) IFRS 11 Joint arrangements (“IFRS 11”) was issued by the IASB in May 2011 and will replace IAS 31 Interests in Joint ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

(d) IFRS 12 ‘Disclosure of Interests in Other Entities’ - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

(e) IFRS 13 ‘Fair Value Measurement’ - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

(f) IAS 27 ‘Consolidated and Separate Financial Statements’ - as amended in May 2011, provides guidance on the accounting and disclosure requirements for subsidiaries, jointly controlled entities, and associates in separate, or unconsolidated, financial statements. It will have no impact on consolidated financial statements and is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

(g) IAS 28 'Investments in Associates' - as amended in May 2011, provides detailed guidance on the application of the equity method to associates, subsidiaries and joint ventures (previously excluded from this standard), and is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

Presentation
Certain amounts on the unaudited statement of financial position, statement of loss and comprehensive loss and statement of cash flows have been reclassified to conform to the presentation adopted under IFRS.

Selected Financial Information

The following selected financial data is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	Year Ended February 29, 2012 $	Year Ended February 28, 2011 $	For The Period September 28, 2009 to February 28, 2010 $
Total Revenues (Interest)	-	-	-
Income before other items	(70,568)	(182,739)	(16,033)
Net Loss and comprehensive loss	(70,568)	(182,739)	(16,033)
Loss and fully diluted loss per share	(0.03)	(0.14)	(0.00)
Total assets	343,139	408,639	349,967
Total long term debt	-	-	-
Dividend	-	-	-

Results of Operations
The Company was incorporated on September 28, 2009. The Company does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the three-month ended May 31, 2012 the Company recorded a net loss of $8,253 compared to $4,716 for the same period in 2011. The loss for the three-month ended May 31, 2012 was primarily attributable to filing and transfer agent fees of $3,526 compared to $534 in 2011 comparable period (higher in 2012 due to the Company payment for filing of 2012 annual financial statements in May 2012); office and administration of $528 compared to $282 in 2011; rent of $3,750 compared to $3,750 in 2011; and telephone of $449 compared to $159 in 2011.

Summary of Quarterly Results

	1st Quarter	**4th Quarter**	**3rd Quarter**	**2nd Quarter**
Three Months Ended	**May 31, 2012 $**	**February 29, 2012 $**	**November 30, 2011 $**	**August 31, 2011 $**

Total Revenue (Interest)	-	-	-	-
Net Loss	(8,253)	(24,453)	(24,969)	(16,430)
Basic and diluted earnings (loss) per share	(0.00)	(0.01)	(0.01)	(0.00)
Total assets	331,939	343,139	355,980	376,431
Total long term debt	-	-	-	-
Dividend	-	-	-	-
	1st Quarter	**4th Quarter**	**3rd Quarter**	**2nd Quarter**
Three Months Ended	**May 31, 2011 $**	**February 28, 2011 $**	**November 30, 2010 $**	**August 31, 2010 $**
Total Revenue (Interest)	-	-	-	-
Net Loss	(4,716)	(53,890)	(9,345)	(111,263)
Basic and diluted earnings (loss) per share	(0.00)	(0.04)	(0.00)	(0.08)
Total assets	402,641	408,639	447,047	456,392
Total long term debt	-	-	-	-
Dividend	-	-	-	-

Liquidity and Capital Resources

The Company does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition. As at May 31, 2012 the Company had cash and receivables of $331,939 compared with $343,139 at February 29, 2012 and $402,641 at May 31, 2011. The working capital as at May 31, 2012 was $317,536. As at May 31, 2012, the Company had $331,939 in total assets and $14,403 in accounts payables and accrued liabilities. The Company has no long term debt.

Since inception, the Company's capital resources have been limited to amounts raised from the private sale of common shares in the Company and the recently completed IPO (see "Description of Business and Overview"). The Company has not commenced operations and as at May 31, 2012 has no assets other than cash and HST recoverable. The proceeds from the private sale of common shares and the IPO are expected to provide the Company with minimum funds with which to identify and evaluate businesses or assets with a view to complete a Qualifying Transaction. However, if the Company identifies a target business, asset or property as its Qualifying Transaction, the Company may have to seek additional financing. There is no assurance that the Company will be able to identify a suitable Qualifying Transaction. Furthermore, even if a Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction.

The Company is not exposed to any externally imposed capital requirement. There were no changes in the Company's approach to capital management during the period.

The Company’s issued and outstanding shares were 9,250,000 at May 31, 2012 and 9,250,000 at July 27, 2012.

The Company has established a stock option plan for its directors, officers and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. As of the date of this report, 742,500 directors and officers options are outstanding.

Off-Balance Sheet Arrangements
There are no off-balance sheet arrangements.

Transactions with Related Parties
During the year ended February 29, 2012, the Company paid or accrued accounting fees of $15,000 (2011 - $7,600) to an accounting firm of which an Officer of the Company is a partner. As of May 31, 2012, $3,000 (2011 - $3,000) in accounts payable and accrued liabilities was due to the accounting firm. The transaction was in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Contractual Commitments
There are no contractual commitments.

Impact of Adopting IFRS on the Company’s Business:
As management had anticipated, given the business of the Company as a Capital Pool Company and given the limited number of transactions that the Company has entered into since incorporation, the impact on the adoption of IFRS had no impact on the Company's financial position, financial performance and cash flows. Specifically, the main areas of accounting focus for the Company to date have been, and will continue to be prior to the consummation of a Qualifying Transaction, the issuance of share capital, the recording of share based payments and the recording of cash transactions for which there are very few or no significant differences between IFRS and Canadian GAAP.

The adoption of IFRS has resulted in some changes to the Company’s accounting systems and business processes; however the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Company's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies.

The Board of Directors and Audit Committee have been regularly updated through the Company’s IFRS transition process, and are aware of the key aspects of IFRS affecting the Company.

Qualifying Transaction
On May 9, 2012, the Company entered into an agreement (the "Letter Agreement") 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, the Company and Tantalex will complete a triangular amalgamation or similar type of transaction (the "Transaction") by a federally incorporated wholly-owned subsidiary of the Company amalgamating with Tantalex to form a newly amalgamated entity which will become a wholly owned subsidiary of the Company (the "Subsidiary"). It is expected that the Transaction will qualify as the Company'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.

Subsequent Events
As a “capital pool company” pursuant to Policy 2.4 of the Exchange, the Company was required to complete a Qualifying Transaction within 24 months from the date of its listing on the Exchange. Effective July 10, 2012, the shares of the Company were suspended from trading on the Exchange. The Exchange has given the Company until October 4, 2012 (90 days) to complete a Qualifying Transaction. The Company and Tantalex (see "Qualifying Transaction") have every reason to believe and are confident they will complete their Qualifying Transaction within that time.

Risks and Uncertainties
The Company’s financial performance is likely to be subject to the following risks:

1. The Company has not commenced commercial operations, and has no assets other than cash and HST recoverable, has no history of earnings and shall not generate earnings to pay dividends until at least after the completion of the Qualifying Transaction;

2. Until the completion of the Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification of and evaluation of potential Qualifying Transactions; and

3. The Company only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

Disclosure of Internal Controls
Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's responsibility for financial statements

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

July 27, 2012

On behalf of Management and the Board of Directors,

"Robert Lipsett"

President and Chief Executive Officer, Director