

LWP Capital Inc.

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LWP Capital Inc. Announces Cease Trade Orders and Provides Update on Liquidation Proceedings

TORONTO, ONTARIO--(Marketwired - May 20, 2016) - LWP Capital Inc. (formerly "**Legumex Walker Inc.**") ("**LWP**" or the "**Company**"), by KSV Advisory Inc. in its capacity as the Court-appointed liquidator of LWP (the "**Liquidator**"), today announced that cease trade orders (the "**CTOs**") have been issued by the Manitoba Securities Commission, Ontario Securities Commission and B.C. Securities Commission, with automatic effect in the Province of Alberta. The Liquidator anticipates that other provincial securities regulators may issue similar orders. The CTOs were issued as a result of LWP not filing its audited financial statements and related disclosure filings for the fiscal year ended December 31, 2015 by the required filing deadlines under applicable securities laws. In the context of the Company's court supervised liquidation, the Liquidator and the inspectors of LWP's liquidation proceedings determined that the substantial cost of preparing audited financial statements and related continuous disclosure materials could not be justified as no material benefit would be derived from their preparation and the CTOs have little or no impact given that the Company's 16,294,635 issued and outstanding common shares were delisted on December 31, 2015.

The CTOs prohibit all trading in the securities of the Company. Neither the Company nor the Liquidator has any intention of challenging the CTOs, which are expected to remain in effect for the duration of the liquidation process.

The Liquidator provides the following update in respect of the Company's liquidation proceedings:

- As previously announced on February 23, 2016, The Scoular Company (the "**Purchaser**") filed an objection notice (the "**Objection Notice**") objecting to the Company's calculation of the Closing Working Capital under the Asset Purchase Agreement dated September 14, 2015, entered into among the Purchaser, the Company and certain wholly-owned subsidiaries of LWP, as amended (the "**APA**"). The Purchaser has also filed a proof of claim with the Liquidator. The Purchaser's claims in total are in excess of CAD\$25 million;
- Following a hearing on April 29, 2016, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") ordered that the dispute between the Company and the Purchaser regarding the net realizable value ("**NRV**") of inventory, which is the largest item in dispute under the Objection Notice, be resolved by the valuator named in the APA. The process to determine the NRV is expected to commence shortly;
- In accordance with the APA, other working capital items that remain in dispute will be determined by Ernst & Young LLP. This process is also expected to commence shortly;
- The claims and disputes raised by the Purchaser represent the only material claims against the Company. The Liquidator has administered the Court-approved claims process, and there were no other material claims filed. The claims bar date was March 15, 2016; and

- As previously announced on February 23, 2016, if the Purchaser's claims are not definitively determined in a manner that is favourable to the Company, the funds available for distribution to shareholders may be materially less than the range of CAD\$1.69 to CAD\$1.98 per share disclosed in the Company's press release dated November 23, 2015.

The Liquidator intends to provide a further update once the Purchaser's claims have been definitively determined. All Court materials, including the Court's reasons for its decision of the motion heard April 29, 2016, and updates on the status of the liquidation proceedings are available on the Liquidator's website at www.ksvadvisory.com.

Cautionary Note on Forward-looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities laws which may include, but is not limited to, statements relating to the anticipated liquidation of the Company, the cost of the complying with continuous disclosure obligations, the value recoverable by the Company's shareholders, the Company's intention of challenging the CTOs, the duration of the CTOs and the issuance of cease trade orders by other securities regulators and the timing for commencement of the process to determine the NRV of the inventory and the other working capital amounts that remain in dispute under the APA. Such forward-looking information reflects the Company's views with respect to future events and is subject to risks, uncertainties and assumptions, including changes in law and risks generally relating to the liquidation process, as referred to in the section entitled "Risk Factors" in the Company's Management Information Circular dated October 12, 2015 as amended by the Addendum dated October 26, 2015, in the Management's Discussion and Analysis for the period ended September 30, 2015 and in the Annual Information Form dated March 31, 2015 which are available on SEDAR at www.sedar.com and should be reviewed in conjunction with this press release. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although the Company believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this press release. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

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