



All in West!

Capital Corporation

ALL IN WEST! CAPITAL CORPORATION ANNOUNCES SALE OF DAYS INN HOTEL IN HINTON, ALBERTA

Winnipeg, Manitoba (June 7, 2012) All in West! Capital Corporation (the “Corporation”) (TSX-V: ALW) announced today that it has agreed to sell the the Days Inn hotel located in Hinton, Alberta (the “**Days Inn Hinton**”) to Lexor Management Inc. (“**Lexor**”) in consideration for the settlement of the outstanding mortgage indebtedness owed to Lexor in the amount of \$4,224,888, and subject to standard closing adjustments (the “**Transaction**”).

The Days Inn Hinton has been appraised by an independent third party appraiser at \$3.0 million as at March 31, 2012. Lexor has agreed to accept the transfer of the Days Inn Hinton in full satisfaction of the \$4,224,888 owed to it under the mortgage loan. Although the amount owing under the mortgage loan relating to the Days Inn Hinton exceeds the appraised value of the property by approximately \$1.2 million, Lexor has agreed to provide a full release of the Corporation and its subsidiaries with respect to the balance owing under such mortgage loan.

The Transaction was unanimously approved by the independent directors of the Corporation. Mr. Cornelius Martens, Chief Executive Officer of the Corporation, abstained from voting in respect of the approval of the Transaction due to the fact that the principal director, officer and shareholder of Lexor is Mr. Peter Schiller, his son-in-law. Lexor also manages the day-to-day affairs of the Corporation’s hotel properties.

To the extent that the Transaction may be considered to be a related party transaction, the Corporation will rely on the “financial hardship exemption” from the minority shareholder approval requirement as a result of the satisfaction of the following conditions:

- (a) the Corporation is insolvent or in serious financial difficulty;
- (b) the Transaction is designed to improve the financial position of the Corporation;
- (c) the Transaction is not made pursuant to a bankruptcy proceeding;
- (d) the Corporation has four independent directors in respect of the Transaction (Mr. Cornelius Martens declared a conflict of interest due to his relationship with Mr. Peter Schiller);
- (e) the board of directors of the Corporation, acting in good faith, determined, and all of the Corporation’s independent directors, acting in good faith, determined that: (i) paragraphs (a) and (b) above apply; and (ii) the terms of the Transaction are reasonable in the circumstances of the Corporation.

The Transaction is scheduled to close on June 15, 2012 and is subject to receipt of TSXV approval.

While the Transaction will improve the financial condition of the Corporation, the Corporation will continue to negotiate with and consider available alternatives with respect to its other creditors. The Corporation continues to be in default of all of its debt obligations, which include the following defaults:

- (i) the Corporation is in default of its obligation to repay the principal amount on the Series A convertible debentures (the “**Series A Debentures**”) in the aggregate principal amount of \$6,495,000 on March 31, 2012, the maturity date of the Series A Debentures;
- (ii) the Corporation is in default of its obligation to make monthly interest payments on the Series A Debentures from April 30, 2010 to March 31, 2012, the maturity date of the Series A Debentures. The Corporation ceased monthly interest payments on April 30, 2010;
- (iii) the Corporation is in default of its obligation to pay interest on the Series B convertible debentures (the “**Series B Debentures**”) which mature on September 30, 2012. The Corporation ceased monthly interest payments on April 30, 2010. The holders of Series B Debentures are entitled to instruct that the indenture trustee for the Series B Debentures demand repayment of the aggregate principal amount of the Series B Debentures (\$1,180,000) plus accrued and unpaid interest;
- (iv) the Corporation is in default of its obligation to pay interest relating to its Series C senior convertible debentures (the “**Series C Debentures**”) which mature on October 1, 2012. The Corporation ceased monthly interest payments on November 30, 2010. The holders of Series C Debentures are entitled to instruct that the indenture trustee for the Series C Debentures demand repayment of the aggregate principal amount of the Series C Debentures (\$2,353,750) plus accrued and unpaid interest;
- (v) the Corporation is in default of its obligation to make principal and interest payments to the mortgagee under its mortgage financing and security documents relating to the Econolodge Inn and Suites in Hinton, Alberta. The outstanding mortgage balance is currently \$6,494,820; and
- (vi) as a result of the defaults noted above, the Corporation is in breach of the “cross-default” covenants under its mortgage financing and security documents relating to the Phase I and Phase II Best Western hotels in Grande Cache, Alberta. The outstanding mortgage balances for such properties are currently \$7,826,983 in respect of the Phase I property and \$4,702,513 in respect of the Phase II property.

The Corporation is in ongoing discussions with its mortgage lenders regarding the defaults under its mortgage indebtedness and potential restructuring of such indebtedness. The Corporation is continuing to evaluate alternatives available to it. The Corporation has formed a special committee which is considering the Corporation’s alternatives specifically as it relates to its outstanding convertible debentures with a view to making a recommendation to the Corporation’s board of directors.

For further information please contact Mr. Cornelius Martens, President and Chief Executive Officer, or Cornelius William Martens, Investor Relations, Tel: (204) 947-1200.

The TSX Venture Exchange has not reviewed or approved the contents of this press release.

Forward-Looking Statements

This press release contains forward-looking statements regarding the proposed transaction involving the Days Inn located in Hinton, Alberta. There can be no assurance that the proposed transaction will be completed on the terms described herein or at all.