

SOLVAQUA INC.

PROCESS TO SUBMIT OFFERS FOR SALE/ INVESTMENT PROPOSALS



INTRODUCTION

On August 19, 2022 (the "Receivership Date"), pursuant to an Order of the Court King's Bench of Alberta, formerly known as the Court of Queen's Bench of Alberta (the "Court"), SolvAQUA Inc. ("SolvAQUA") was placed into receivership and MNP Ltd. was appointed as Receiver and Manager (the "Receiver"). In our capacity as Receiver, we are conducting a sale and Investor Solicitation Process (the "SISP").

SolvAQUA was in the business of providing proprietary wastewater management solutions based on nanopolymerization technology (the "Technology") that allowed isolated areas to reuse water, thereby decreasing freshwater usage. SolvAQUA's business plan involved implementing the Technology in foreign jurisdictions (the "Business"). At the Receivership Date, SolvAQUA had very limited operations and did not have any designated office space.

The assets of SolvAQUA include equipment consisting of: (i) five large and four small wastewater management units in various stages of completion and the associated chemicals that are being held at the premises of the equipment manufacturer, Rotating Right (2016) Inc., (ii) claims related to alleged breaches under various contracts between SolvAQUA and third-parties, and (iii) any potential claims for scientific research and development tax credits (collectively, the "Property").

On October 20, 2022, the Court granted an Order that, among other things, (i) approved the terms of a stalking horse purchase agreement (the "Stalking Horse Agreement") between the Receiver and Arnaki Ltd. (the "Stalking Horse Bidder"), and (ii) approved the SISP. The SISP is intended to allow interested parties to submit binding bids for transaction alternatives that are superior to the sale transaction provided for in the Stalking Horse Agreement.

Further information can be made available upon receipt of an executed confidentiality and non-disclosure agreement.

LIMITATIONS

To facilitate this process, an electronic data room has been established. All information contained therein or otherwise provided (the "Information") has been prepared solely for the convenience of prospective offerors and has not been audited or otherwise verified by the Receiver

The Receiver does not make any representations or warranties as to the accuracy or completeness of the Information and shall have no liability for any representations (be they expressed or implied) or omissions contained herein nor in any other written or oral communications transmitted to prospective purchasers in the course of the evaluations of the assets. Furthermore, the Information may not contain all of the information a prospective purchaser may require and therefore, prospective purchasers should conduct their own investigations, analysis and due diligence relating to the Business, the Property and the Information.

CONTACTS: Lorry Fritsche
Corporate Recovery and Restructuring
403-536-5556
lorry.fritsche@mnp.ca

SOLVAQUA INC. PROCESS TO SUBMIT OFFERS FOR SALE/ INVESTMENT PROPOSALS



TIMELINE

Milestones	Estimated deadlines
Distribution of SISP Notice, Teaser and Confidentiality Agreement	October 21, 2022
Publication of Notice	October 26, 2022
Due Diligence period for potential bidders	October 21 to November 23, 2022
Bid Deadline	November 23, 2022
Auction (if required)	By November 30, 2022
Sale Approval Hearing	By December 14, 2022
Closing Date	By December 21, 2022

SALES PROCESS

The SISP sets out the manner in which (i) binding bids for transaction alternatives that are superior to the sale transaction provided for in the Stalking Horse Agreement will be solicited from interested parties, (ii) any such bid received will be addressed, (iii) any Successful Bidder will be selected, and (iv) Court approval of any Successful Bidder will be sought. Such transaction alternatives may include, among other things, the recapitalization of, investment in, arrangement of or reorganization of the Company or the Business as a going concern or a sale of some or all of the Property or some combination thereof.

Please note that, any offer that is determined to be a Superior Offer (as defined in the SISP) will not be binding on the Receiver until Court approval has been obtained.

To receive access to the electronic data room, please request a confidentiality and non-disclosure agreement from the Receiver at:

MNP Ltd., in its capacity as Receiver and Manager of Solvaqua Inc.
1500, 640 – 5th Avenue SW, Calgary, AB T2P 3G4,
Attention: Lorry Fritsche
Tel: 403-536-5556
Email: lorry.fritsche@mnp.ca

Offers to Purchase/ Investment Proposals, along with a certified cheque, wire transfer or money order deposit must be received by the Receiver no later than 5:00pm (Mountain Time) on November 23, 2022

CONTACTS: Lorry Fritsche
Corporate Recovery and Restructuring
403-536-5556
lorry.fritsche@mnp.ca