

SOLVAQUA INC. – IN RECEIVERSHIP

ESTATE NO. 25-95331

FIRST INTERIM REPORT OF THE RECEIVER AS AT FEBRUARY 19, 2023

Subsection 246(2) of the *Bankruptcy and Insolvency Act*

BACKGROUND

On August 19, 2022 (the “Receivership Date”), the Court of King’s Bench of Alberta, as it is now known (the “Court”), granted an Order (the “Receivership Order”) appointing MNP Ltd. as Receiver and Manager (the “Receiver”), without security, over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Property”) of SolvAQUA Inc. (“Solvacqua” or the “Company”).

The Company 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. At the Receivership Date, SolvAQUA had very limited operations and did not have any designated office space.

A copy of the Receivership Order and all other publicly available information can be found on the Receiver’s website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/solvacqua-inc>

ASSETS

The Property included various equipment and chemicals used to implement the Technology (the “Equipment”).

On October 20, 2022, the Court granted an Order approving a sale and investor solicitation process (the “SISP”), pursuant to which the Receiver solicited offers for the sale of the Property, or investment in all or part of the Company’s business and approved a transaction (the “Stalking Horse Transaction”) contemplated in the stalking horse asset purchase agreement between the Receiver and 2464525 Alberta Ltd.

The SISP has now been completed, however, the Receiver is seeking to resolve various competing claims with respect to the Equipment prior to proceeding for further Court approval of the Stalking Horse Transaction.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

The Receiver’s Interim Statement of Receipts and Disbursements for the period ended February 19, 2023, is attached hereto.

NEXT STEPS

The Receiver intends to seek approval of the Stalking Horse Transaction, as it may be amended, at a future Court application and expects to also seek its discharge at that time.

Dated at Calgary, Alberta this 19th day of February 2023.

MNP Ltd., in its capacity as the Receiver for SolvAQUA
Inc. and not in its personal or corporate capacity



Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

SolvAQUA Inc.
Interim Statement of Receipts and Disbursements
For the Period from August 19, 2022 to February 19, 2023

		Notes
Receipts:		
Receiver's borrowings	\$ 130,000	1
Cash held in financial institutions	<u>183</u>	
Total receipts:	<u>130,183</u>	
Disbursements:		
Legal fees and disbursements	61,409	2
Receiver's fees and disbursements	40,311	3
Insurance	21,775	4
GST Paid	5,082	
Contractors	1,050	
Miscellaneous expenses	<u>73</u>	
Total disbursements:	<u>129,699</u>	
Net available cash:	<u><u>\$ 483</u></u>	

Notes - general:

1. On August 19, 2022, the Court of King's Bench of Alberta granted an Order (the "Receivership Order") appointing MNP Ltd. as Receiver, without security, over all of SolvAQUA's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

Notes - specific:

1. Represents borrowings advanced pursuant to the Receivership Order.
2. Represents the professional fees and disbursements of the Receiver's legal counsel, Cassels Brock & Blackwell LLP for the period ended September 30, 2022.
3. Represents the professional fees and disbursements of the Receiver for the period ended October 8, 2022.
4. Represents payments for property and commercial liability insurance.