

Cedar Road Bioenergy Inc.

Nanaimo Bioenergy Centre



CEDAR ROAD BIOENERGY INC.

NANAIMO, B.C.

INFORMATION PACKAGE

AUGUST 29, 2022

D. MANNING & ASSOCIATES INC.

**COURT-APPOINTED RECEIVER AND MANAGER OF ALL OF THE
ASSETS AND PROPERTY OF CEDAR ROAD BIOENERGY INC.**

SUITE 520 – 625 HOWE STREET
VANCOUVER, B.C., CANADA V6C 2T6

Tel: (604) 683-8030, Fax: (604) 683-8327

www.manning-trustee.com

1. Background

D. Manning & Associates Inc. in its capacity as Court-Appointed Receiver and Manager (“**the Receiver and Manager**”) of all of the Assets and Property of Cedar Road Bioenergy Inc. (“**the Company**”), is inviting offers or listing proposals to purchase its right, title, and interest in certain of the Assets of the Company.

The Company is a clean energy company based in Nanaimo, British Columbia, that is permitted to utilize bioenergy as a feed stock for conversion into electricity and renewable natural gas.

D. Manning & Associates Inc. is soliciting offers or listing proposals for the purchase of certain of the Assets of the Company. Offers or listing proposals should be submitted to the Receiver and Manager on or before **4:00 p.m. Pacific Time, on Tuesday, September 27, 2022**, using the Offer to Purchase form attached as **Appendix C**.

Parties interested in restarting operations at the current location may be subject to certain requirements of Regional District of Nanaimo, 6300 Hammond Bay Road, Nanaimo, B.C. V9T 6N2, Attention: Mr. Ben Routledge, Manager Solid Waste Services, as well as B.C. Hydro & Power Authority, details available on request.

A Confidentiality Agreement has been prepared for the purposes of this offering, interested parties, including any third parties or nominees, are required to execute and provide a copy or copies, as applicable, to The Receiver and Manager, Attention Don Manning, CIRP, in order to receive particulars of this offering prior to receiving this offering document as well as any available documents that The Receiver and Manager may be in a position to provide for review.

All offers or listing proposals are subject to the approval of the Supreme Court of British Columbia (“**the Court**”). The highest, or any offer or listing proposal, will not necessarily be accepted. The Receiver and Manager reserves the right to enter into a sales agreement with a prospective purchaser subsequent to the deadline for submission of offers as outlined above.

Attached are the following appendices:

Appendix A List of Assets for Sale

Appendix B List of Excluded Assets

Appendix C Offer to Purchase



2. Terms and Conditions of Sale

Interested parties are welcomed to submit offers or listing proposals to purchase the right, title and interest in certain Assets using the Offer to Purchase included as **Appendix C**. Offers for the Receiver and Manager's right, title and interest in and to the Assets should be submitted to the office of D. Manning & Associates Inc., marked to the attention of William Choo, to be physically received at the Receiver and Manager's office on or before **4:00 p.m. Pacific Time, on Tuesday, September 27, 2022**, together with a deposit of no less than **15% of the Offer to Purchase** by way of certified cheque, money order or other guaranteed funds made payable to "D. Manning & Associates Inc., in trust". Only offers submitted using the Offer to Purchase form attached as **Appendix C** will be accepted.

The highest, or any offer or listing proposal, will not necessarily be accepted. The Receiver and Manager reserves the right to enter into a sales agreement with a prospective purchaser subsequent to the deadline for submission of offers as outlined above.

If an offer or listing proposal is accepted, the deposit will be applied against the purchase price, and all other deposits will be returned to the unsuccessful offerors.

Where applicable, Goods and Services Tax ("**GST**"), B.C. Provincial Sales Tax, and any other applicable taxes or transfer fees will be borne by the purchaser. The Assets are being sold on an "as is, where is" basis with no representations or warranties provided by the Receiver and Manager whatsoever.

D. Manning & Associates Inc. has prepared this information package solely for parties expressing an interest in certain of the Assets. The information contained in the package is subject to change and may not have been verified by D. Manning & Associates Inc., which does not accept responsibility for the information package's completeness or accuracy, or for any loss arising from its use. Further, D. Manning & Associates Inc. makes no warranty, condition or representation, expressed or implied, as to description, classification, quality, quantity, condition or value of the Assets. Interested parties acknowledge that they are relying on their own inspection, decision and interpretation of data.

The successful offeror must complete the purchase by way of payment for the balance of the purchase price, including applicable taxes, in the form of a certified cheque or bank draft within **10 business days following court approval, or if a listing proposal is approved by the court, the successful offeror must enter into an agreement to sell with the Receiver and Manager as agent, within 10 business days following court approval**, or such other date as agreed between the Receiver and Manager and the Purchaser.

If an offer or proposal is accepted and is subsequently withdrawn or the offeror fails to

complete the purchase, including payment by certified cheque or bank draft for the balance of the purchase price including all applicable taxes, the deposit will be forfeited as liquidated damages and D. Manning & Associates Inc. will be at liberty to sell the Assets to the next highest offeror, or any other party.

3. Viewing of Assets

Most of the offered assets are located at the street address of 1105 Cedar Road, Nanaimo, B.C., namely the Waste Facility operated by Nanaimo Regional District, located along Cedar Road, Nanaimo B.C.

Any party wishing to view the Assets should advise the Receiver and Manager in advance of their intentions. Attendance unannounced should not be attempted as the facility is behind secured gates. Arrangements to view the Assets must be made through Mr. Don Manning, Mobile: (604) 230-6365 (e-mail dnm@manning-trustee.com).

CEDAR ROAD BIOENERGY INC.

APPENDIX A

LIST OF ASSETS FOR SALE

APPENDIX A LIST OF ASSETS FOR SALE

Certain of the Company's assets that was or can be shown to be or have been in its possession as of August 8, 2022.

The above includes without limitation the following:

1. GE Jenbacher Engines/Generator Set (x2) + 40" HC standard shipping containers for Engine Housing (x2) + Generator Spare Parts

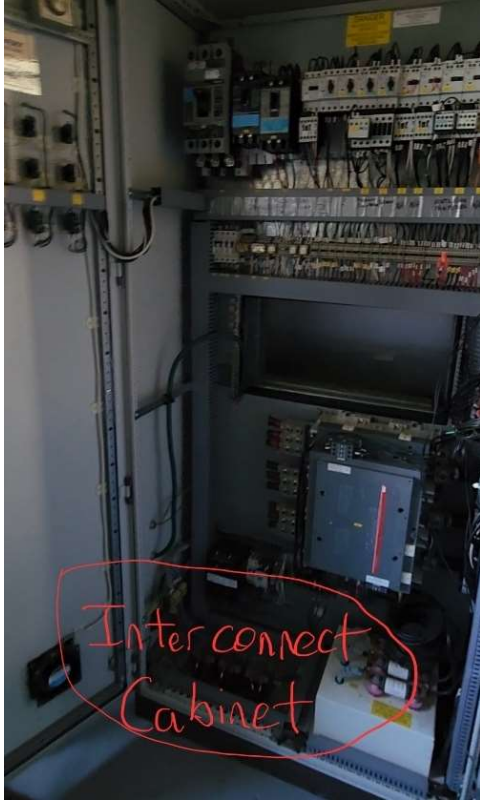


Generating Set ISO 8528		CE	
Jenbacher gas engines		GE Jenbacher GmbH & Co OHG A-6200 Jenbach Austria	
Type	J6S3126S-N		
Serial No.	4721701		
Year of manufacture	2006		
Rated power	COP 533		kW
Rated power factor	1		
Maximum site altitude of installation	500		m
Max. ambient temperature (intake air)	30		°C
Rated frequency	60		Hz
Rated voltage	480/277		V
Rated current	761		A
Mass	5300		kg
Performance class	G2		
	JD390		

Generating Set ISO 8528		CE	
GE Jenbacher		GE Jenbacher GmbH & Co OHG A-6200 Jenbach Austria	
Type	J6S3126S-N		
Serial No.	4721702		
Year of manufacture	2006		
Rated power	COP 533		kW
Rated power factor	1		
Maximum site altitude of installation	500		m
Max. ambient temperature (intake air)	30		°C
Rated frequency	60		Hz
Rated voltage	480/277		V
Rated current	761		A
Mass	5300		kg
Performance class	G2		
	JD390		



2. Interconnect Cabinet



3. Gas Booster, Gas Conditioner Skid, Dehydration Unit



4. Double Membrane Gas Holder (Tecon 1266 Cu / M biogas holder)



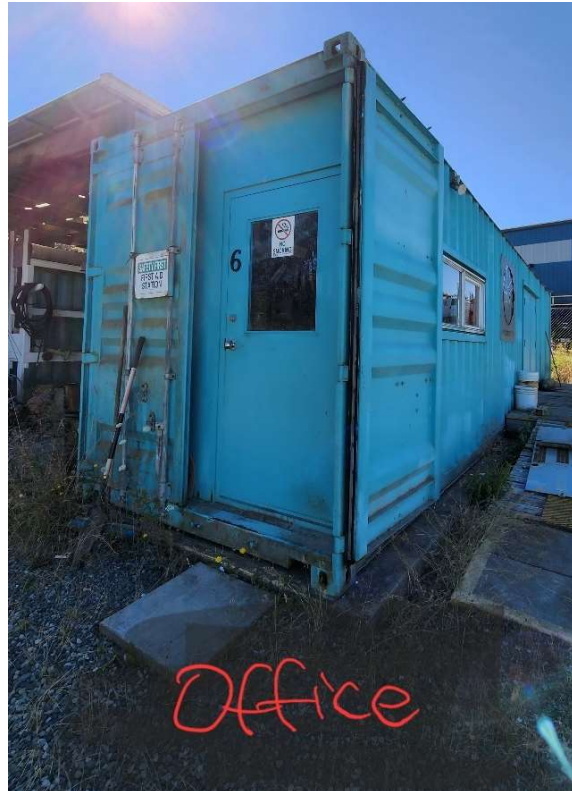
5. **Distribution Substations** (25 KVA High voltage cabinet with 1 MW transformer stepped down to low voltage genset breaker cabinet)
- a. Does not include Transformer (not shown in the photo). The Transformer is repaired and in the possession of the repair company with a balance outstanding of approximately \$80,000.



6. Spare Parts & 1 Storage Container (HC 40' Sea Can)



7. Office & 1 Storage Container (HC 40' Sea Can)



8. Spare Storage Containers (x3) (HC 40' Sea Cans)



Agreements Available for Assignment

The following Agreements may be required to continue to operate the business at the site if desired. Parties interested in obtaining the Receiver and Manager's right, title and interest in these matters are invited to contact Don Manning for particulars of these agreements.

1. Land Use Agreement – Property set aside for use by the current facility.

A land use agreement is in place with Nanaimo Regional District to enable access to a supply of unrefined methane gas and to contain and operate the facility, a copy is available on request.

2. Supply Agreement – B.C. Hydro & Power Authority

A Electricity Supply Agreement is in place with B.C. Hydro & Power Authority to deliver electrical energy to the power grid for purchase by B.C. Hydro & Power Authority, under agreed rates already approved by B.C. Utilities Commission. A copy is available on request.

3. Agreements with Nanaimo Regional District

A series of agreements is in place with Nanaimo Regional District setting out the relationship between the Company, its predecessors, and the Regional District for the purpose of accessing and utilizing gas emission emitting from the adjoining Waste Facility, also located at 1105 Cedar Road Facility, on request.

Tax Losses available

The Company has indicated its willingness to offer accumulated tax losses to an interested purchaser by way of a sale of the shares of the Company.

The Receiver and Manager would entertain offers for the purchase of the shares of the Company, on an "as is where is" basis as well.

For further information on this topic, please contact Don Manning, CIRP

CEDAR ROAD BIOENERGY INC.

APPENDIX B

LIST OF EXCLUDED ASSETS

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LIST OF EXCLUDED ASSETS

- 1) Contracts
- 2) Cash in bank account
- 3) Accounts Receivable
- 4) Tax refunds
- 5) Any other assets not included in this Information Package
- 6) A transformer and are offsite for required repairs. The transformer requires payment for balances owing, the Receiver and Manager has elected not to pay the balances owing at this time, arrangements can be made with the repairers for payment directly by a purchaser of the assets listed in this offering. (Note: The transformer is required to operate the facility.)

CEDAR ROAD BIOENERGY INC.

APPENDIX C

OFFER TO PURCHASE

**CEDAR ROAD BIOENERGY INC.
IN RECEIVERSHIP**

FORM OF OFFER AND TERMS AND CONDITIONS OF SALE

1. Certain Assets are being sold on an “as is, where is, no warranties or representations” basis. Listings and descriptions of the Assets contained in this information package have been prepared solely for the convenience of potential purchasers, are not warranted by D. Manning & Associates Inc. to be complete or accurate, and shall not form part of the Conditions of Sale.
2. Where applicable, Goods and Services Tax (GST), B.C. Provincial Sales Tax (PST), and any other applicable taxes will be borne by the purchaser.
3. Each prospective purchaser will bear all its costs, including those relating to any applicable taxes, the retention of external advisors, the investigation and due diligence in preparing its offer to purchase or listing proposal, costs to complete the purchase of the Assets, as well as any legal, administrative, transfer or other costs relating to the transfer of the Assets.
4. All offers and listing proposals must be submitted to the offices of D. Manning & Associates Inc., Suite 520 – 625 Howe Street, Vancouver, British Columbia V6C 2T6, marked for the attention of Mr. William Choo, by **4:00 PM Pacific Time on Monday, September 27, 2022**, together with a deposit of no less than **15% of the Offer to Purchase** in Canadian funds.
5. All offers must be for a sum certain and not dependent on the value of any other offer.
6. All offers must be unconditional and payment is to be made by certified cheque or bank draft in Canadian funds.
7. All offers or listing proposals submitted will be considered firm offers that cannot be revoked. If an offer is accepted, the deposit will be applied against the purchase price. The successful Offeror must complete the purchase within ten (10) business days following the Court approval of the offer or such other date as agreed between the Receiver and Manager and the Purchaser. If an offer is accepted and is subsequently withdrawn or the Offeror fails to complete the purchase, including payment by certified cheque or bank draft of the balance of the purchase price including all applicable taxes, the deposit will be forfeited as liquidated damages and D. Manning & Associates Inc. will be at liberty to sell the assets to the next highest Offeror or any other party.
8. The highest or any offer or listing proposal will not necessarily be accepted.

9. All offers and listing proposals are subject to court approval.

10. All offers or listing proposals must be in writing in the following form:

TO: D. Manning & Associates Inc.
Court-Appointed Receiver and Manager of the Assets and Property
of Cedar Road Bioenergy Inc.
Suite 520 – 625 Howe Street
Vancouver, B.C. V6C 2T6

Attention: William Choo, CPA, CGA

On the basis of the terms and conditions described herein, we,
_____ (herein referred to as “the Offeror”), hereby
offer to purchase from the Receiver and Manager of the Assets described in Appendix
“A”.

Herewith is our **Certified Cheque or Bank Draft** for _____ (**15% of the Offer
to Purchase**), to the order of “D. Manning & Associates Inc., in trust”, being the deposit
on account of the offered purchase price.

Dated at _____ this _____ day of _____, 2022.

Offeror’s Name

Signature of Offeror

Printed Name of Offeror

Address, Telephone Number and E-mail address of Offeror:

**OFFER FOR CERTAIN PROPERTY OF
CEDAR ROAD BIOENERGY INC.**

<u>ASSET DESCRIPTION</u>	<u>AMOUNT OFFERED</u>
1. GE Jenbacher Engines/Generator Set (x2) + 40" HC standard shipping containers (x2) + Generator Spare Parts	\$ _____
2. Interconnect Cabinet	\$ _____
3. Gas Booster, Gas Conditioner Skid, Dehydration Unit	\$ _____
4. Double Membrane Gas Holder	\$ _____
5. Distribution Substations	\$ _____
6. Spare Parts & 1 HC 40' Sea Can	\$ _____
7. Office & 1 HC 40' Sea Can	\$ _____
8. Spare Storage Containers (x3) (HC 40' Sea Can)	\$ _____
9. Agreements with Regional District of Nanaimo, and B.C. Hydro & Power Authority inclusive of Categories 1 – 8	\$ _____
10. Agreements with Regional District of Nanaimo, alone.	\$ _____
11. Supply Agreement with B.C. Hydro & Power Authority alone	\$ _____
	Total: \$ _____
All 11 items listed above as one offer	\$ _____