

SHARE PURCHASE AGREEMENT
BY AND AMONG
AUSTRALIS CAPITAL INC.,
THOMAS LARSEN AND LOLA VENTURES INC.

Dated as of February 23, 2021

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made effective as of the 23rd day of February, 2021,

AMONG:

THOMAS LARSEN, an individual residing in the Province of Ontario,
(“**Thomas**”),

AND:

LOLA VENTURES INC., an Alberta corporation,
(“**Lola**”, together with Thomas, the “**Vendors**” and each, a “**Vendor**”),

AND:

AUSTRALIS CAPITAL INC., an Alberta corporation
(“**Purchaser**” or “**AUSA**”).

WHEREAS:

- A. The Vendors own all of the issued and outstanding common shares (the “**ALPS Shares**”) in the capital of 2750176 Ontario Inc., an Ontario corporation (“**ALPS**”);
- B. ALPS B.V., a corporation incorporated under the laws of Netherlands, Larssen GC Ltd., a corporation incorporated under the laws of the Province of Ontario, and Aurora Larssen Projects Inc., a corporation incorporated under the laws of Alberta and extra-provincially registered in Ontario, (“**Aurora Larssen**”) are each a wholly owned subsidiary of ALPS (collectively, the “**2750176 Subsidiaries**”);
- C. Larssen Ltd., a corporation incorporated under the laws of the Province of Ontario, (“**LL**” and together with the 2750176 Subsidiaries, collectively, the “**ALPS Subsidiaries**”) is a wholly-owned subsidiary of Aurora Larssen; and
- D. The Vendors have agreed to sell to Purchaser, and Purchaser has agreed to purchase from the Vendors, 51% of the ALPS Shares, upon the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions.

For the purpose of this Agreement, terms used in this Agreement and not otherwise defined will have the respective meanings set out below. Grammatical variations of such terms will have corresponding meanings:

“**2750176 Subsidiaries**” has the meaning set forth in the preamble.

“**Accounts Payable**” means any accrued trade accounts payable of ALPS Entities incurred prior to the Closing Date in the Ordinary Course.

“**Accounts Receivable**” means all trade and other receivables of ALPS Entities as of the Calculation Time, determined on a gross basis in accordance with IFRS consistently applied, excluding: (a) Related Party Receivables; and (b) receivables due or unpaid more than 60 days after the original due date or 90 days after the original invoice date.

“**Acquisition Proposal**” has the meaning set forth in Section 5.4(a).

“**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, notice of assessment, notice or reassessment or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity.

“**Affiliate**” when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person and a Person shall be deemed to be controlled by another Person if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert), whether directly or indirectly. For the purposes of this definition, “control”, when used with respect to any specified Person, means the power to appoint or remove the members of the management board or a similar body of that Person with decisive voting power in such body), whether through ownership of securities, by trust, by contract or otherwise; and the term “controlled” has a corresponding meaning; *provided that*, in any event, any Person that owns directly, indirectly or beneficially 50% or more of the securities having voting power for the election of directors or other governing body of a corporation or 50% or more of the partnership interests or other ownership interests of any other Person will be deemed to control that Person.

“**Agreement**” means this agreement and all schedules, all exhibits and all instruments supplemental to it or in amendment or confirmation of it.

“**ALPS**” has the meaning set forth in the preamble.

“**ALPS Entities**” means ALPS and the ALPS Subsidiaries, and “**ALPS Entity**” means any one of them.

“**ALPS Shares**” has the meaning set forth in the preamble.

“**ALPS Subsidiaries**” has the meaning set forth in the preamble.

“**Articles**” means the original or restated articles of incorporation, articles of amendment, articles of continuance, articles of amalgamation, articles of arrangement, or any other instrument by which a corporation is incorporated.

“**Assessment**” has the meaning set forth in Section 5.11(d).

“**Assets**” means all of the assets, real and personal, tangible and intangible, of the applicable ALPS Entities.

“**Aurora Larssen**” has the meaning set forth in the preamble.

“**AUSA**” has the meaning set forth in the preamble.

“**AUSA Shares**” means the common shares in the capital of Purchaser.

“**Balance Sheet**” has the meaning set forth in the definition of “**Financial Statements**” in this Article 1.

“**Balance Sheet Date**” has the meaning set forth in the definition of “**Financial Statements**” in this Article 1.

“**Basket**” has the meaning set forth in Section 7.4(a).

“**Benefit Plan**” means all employee benefit plans, agreements, programs, policies, practices, material undertakings and arrangements (whether oral or written, formal or informal, funded or unfunded) maintained for, available to or otherwise relating to any employees, directors or officers or former employees, directors or officers of ALPS Entities, or any spouses, dependents or survivors of any employee or former employee of ALPS Entities, or in respect of which any ALPS Entity is a party to or bound by or is obligated to contribute or in any way liable, whether or not insured or whether or not subject to any Law, including bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, severance and termination pay, hospitalization, health and other medical benefits including medical or dental treatment or expenses, life and other insurance including accident insurance, vision, legal, long-term and short-term disability, salary continuation, vacation, supplemental unemployment benefits, education assistance, equity or equity-based compensation, change of control benefits, profit-sharing, mortgage assistance, employee loan, employee assistance and pension, retirement and supplemental retirement plans (including any defined benefit or defined contribution Pension Plan and any group registered retirement savings plan), and supplemental pension, except that the term “Benefit Plan” shall not include any statutory plans with which any ALPS Entity is required to comply, including the Canada Pension Plan and plans administered under applicable provincial health tax, workers' compensation, workplace health and safety and employment insurance legislation.

“**Books and Records**” means: (a) all books of account, accounting records and other financial data and information, including copies of filed Tax Returns and Assessments for each of the financial years of ALPS Entities or Purchaser, as applicable, commencing after the Tax year of each ALPS Entity or Purchaser, as applicable, ended seven years before the date of this Agreement; (b) the corporate records of ALPS Entities or Purchaser, as applicable; (c) all sales and purchase records, lists of suppliers and customers, credit and pricing information, formulae, business, engineering and consulting reports and

research and development information of, or relating to, ALPS Entities or Purchaser, as applicable, or the Business or Purchaser's business, as applicable; and (d) all other books, documents, files, records, telephone call recordings, correspondence, data and information, financial or otherwise, that are in the possession or under the control of ALPS Entities or the Vendors or of Purchaser, as applicable, including all data and information stored electronically or on computer related media.

"Booth Employment Agreement" means the employment agreement to be entered into between AUSA and Terry Booth (to be appointed CEO of AUSA), in a form agreed to among the parties acting reasonably and including the non-competition and non-solicitation provisions contained in Section 1.1 of the Disclosure Schedules.

"Business" means the business of ALPS Entities consisting of consulting for greenhouse projects, including with respect to the pre-project phase, detailed design, RFP process, construction management, handover, preventative maintenance, operational support, CFD modelling and climate modelling.

"Business Day" means any day except Saturday, Sunday or a statutory holiday in Toronto, Ontario.

"Calculation Time" means 11:59 p.m. Toronto time on the day immediately preceding the Closing Date.

"Cap" has the meaning set forth in Section 7.4(a).

"Change of Control" means the occurrence of either or both of (a) the acquisition of AUSA Shares and/or securities (**"Convertible Securities"**) convertible into, exchangeable for or representing the right to acquire AUSA Shares as a result of which a Person, group of Persons or Persons acting jointly or in concert or Persons associated or affiliated (within the meanings of the *Business Corporations Act* (Alberta)) with any such Person, group of Persons or any of such Persons acting jointly or in concert (collectively, the **"Acquirors"**) beneficially own AUSA Shares and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own AUSA Shares that would entitle the holders thereof to cast more than 50% of the votes cast attaching to all shares of Purchaser that may be cast to elect members of the board of directors of AUSA; and (b) exercise of voting power over all or any such AUSA Shares so as to cause or result in the election of such number of directors of Purchaser as would constitute a majority of the board of directors of AUSA and who were not Incumbent Directors.

"Closing" has the meaning set forth in Section 2.13.

"Closing Cash Payment" has the meaning set forth in Section 2.3(a)(ii).

"Closing Cash/Share Payment" has the meaning set forth in Section 2.3(a)(ii).

"Closing Date" has the meaning set forth in Section 2.13.

"Closing Date Tax Year" has the meaning set forth in Section 5.11(b).

"Closing Time" means 5:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the parties agree in writing that the Closing shall take place.

“Collective Agreement” means any collective agreement, letter of understanding, letter of intent or other written communication or Contract with any trade union, association that may qualify as a trade union, council of trade unions, employee bargaining agent or affiliated bargaining agent, which would cover any of the Employees.

“Contracts” means all contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“Corporate IP” means all Intellectual Property that is owned by ALPS Entities.

“Corporate IP Agreements” means all licences, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to Intellectual Property to which each ALPS Entity is a party, beneficiary or otherwise bound.

“Corporate IP Registrations” means all Corporate IP that is subject to any issuance registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trade-marks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

“CSE” means the Canadian Securities Exchange.

“Current Assets” means consolidated Accounts Receivable, other receivables, Inventories and work in progress, prepaid expenses, of ALPS Entities as at the Calculation Time, determined in accordance with IFRS, but does not include: (a) the portion of any prepaid expense of which Purchaser will not receive the benefit following the Closing; and (b) deferred Tax assets.

“Current Liabilities” means the consolidated Accounts Payable and other payables (including legal expenses incurred by ALPS in respect of the transactions contemplated herein (but excluding the expenses of the Vendors which shall be for their own account as set forth in Article 9)), prepayments from customers / deferred revenues, accrued Taxes and other accrued charges of ALPS Entities, determined in accordance with IFRS, but does not include: (a) income Taxes payable; (b) deferred Tax liabilities; (c) any bonus and tax provisions other than in the Ordinary Course, (d) the Shareholder Loans and (e) the current portion of long term debt, determined in accordance with IFRS.

“Data Room Documents” means the documents made available to Purchaser in the electronic data room (including electronic copies or data bases on DVDs and the like) as well as the written answers of the Vendors and ALPS Entities and their employees, officers, directors and advisers to the questions of Purchaser and its advisers.

“Direct Claim” has the meaning set forth in Section 7.6(c).

“Disclosure Schedules” means the schedules attached to this Agreement delivered by the Vendors to Purchaser and by Purchaser to Vendors concurrently with the execution and delivery of this Agreement.

“Disposal” means any disposal by any means, including dumping, incineration, spraying, pumping, injecting, depositing or burying.

“**Dollars**” or “**\$**” means the lawful currency of Canada.

“**EBITDA**” means the aggregate earnings of ALPS Entities before interest, income taxes, depreciation, amortization, and the allocation of corporate expenses not associated with the Corporation's operations, and without regard to extraordinary or non-recurring items that are paid or incurred after Closing; and for greater certainty shall exclude extraordinary expenses that are beyond those expenses that are usual, regular or customary in the conduct of the Business.

“**Employees**” means those individuals employed by ALPS Entities on the Closing Date.

“**Encumbrances**” means any encumbrance or restriction of any kind or nature whatsoever and howsoever arising and includes a security interest, mortgage, easement, adverse ownership interest, defect on title, condition, right of first refusal, right of first offer, right-of-way, encroachment, building or use restriction, conditional sale agreement, hypothec, pledge, deposit by way of security, hypothecation, assignment, charge, security under sections 426 or 427 of the *Bank Act* (Canada), trust or deemed trust, voting trust or pooling agreement with respect to securities, any adverse claim, grant of any exclusive licence or sole licence, or any other right, option or claim of others of any kind whatsoever, and includes any agreement to give any of the foregoing in the future, and any subsequent sale or other title retention agreement or lease in the nature thereof, affecting ALPS Entities, the ALPS Shares or the Assets or Purchaser Group, as applicable.

“**Environment**” means the air, surface water, ground water, body of water, any land (including surface land and sub-surface strata), soil or underground space, all living organisms and the interacting natural systems that include components of the air, land, water and inorganic matters and living organisms, and the environment or natural environment as defined in any Environmental Law, and “**Environmental**” shall have a corresponding meaning.

“**Environmental Law**” means any all Laws relating to the protection of the Environment including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, Release or Disposal of any Hazardous Substance.

“**Environmental Notice**” means any written directive, investigation, proceeding, letter or other written communication from any Governmental Authority relating to non-compliance or potential non-compliance with or breach of or potential breach of any Environmental Law or Environmental Permit.

“**Environmental Permit**” means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made by any Governmental Authority under any Environmental Law.

“**Equity Compensation Plan Liability**” means any payment owed to, or entitlement of, an Employee, or Liability, relating to or resulting from any equity compensation plan, whether arising before or after the Closing Time other than any Liability arising because of Purchaser Benefit Plans or the other terms and conditions of employment of Employees after Closing, except those Liabilities relating to terms and conditions of employment of Employees that Purchaser was unaware of as a result of a breach by AUSA or the Vendors of any of their representations and warranties in this Agreement (without reference to any survival period otherwise provided for in this Agreement).

“**FACFOA**” has the meaning set forth in Section 3.30(a)(ii).

“Fairly Disclosed” shall mean any non-misleading disclosure of an event, occurrence, fact, condition, change or circumstances disclosed in this Agreement and the Disclosure Schedules (or the Data Room Documents insofar as they were specifically referred to in the Disclosure Schedules or this Agreement) in such a manner that allows or should reasonably allow Purchaser and/or its advisers, by taking knowledge of such disclosed event, occurrence, fact, condition or change and circumstances, to identify and assess the impact of the same on the Business, results of operations, condition (financial or otherwise), Assets, Liabilities, prospects, or valuation of ALPS Entities.

“Final Net Working Capital” has the meaning set forth in 2.5(a).

“Final Net Working Capital Statement” has the meaning set forth in Section 2.5(a).

“Financial Statements” means collectively the unaudited consolidated financial statements of ALPS for the financial periods ended January 31, 2021 (the most recent of which is herein the **“Balance Sheet Date”**) each consisting of a balance sheet (the most recent of which is herein the **“Balance Sheet”**), statement of earnings (loss) and retained earnings, statement of cash flows and the related notes thereto.

“First Period” means the period commencing on July 1, 2021 and ending on the earlier of: (i) December 31, 2022; or (ii) at the election of the Vendors by way of a written notice to Purchaser within 60 days thereof, the First Period Milestone Date, provided that the First Period Milestone Date is no later than December 31, 2022.

“First Period Actual EBITDA” means the EBITDA of ALPS during the First Period Timeframe.

“First Period Actual Revenue” means the Revenue of ALPS during the First Period Timeframe.

“First Period EBITDA Milestone” means the EBITDA of ALPS of \$11,700,000 during the First Period Timeframe.

“First Period EBITDA Threshold” is the amount equal to 56.5% multiplied by the First Period EBITDA Milestone.

“First Period Milestone Date” means the last day of any fiscal quarter of Purchaser between July 1, 2021 and December 31, 2022, if any, on which the First Period Actual EBITDA and the First Period Actual Revenue exceed each of the First Period EBITDA Threshold and the First Period Revenue Threshold.

“First Period Milestone Payment Amount” has the meaning given to it in Section 2.6(a)(i).

“First Period Milestone Payment Date” means the date on which the First Period Milestone Payment Amount, if any, is paid, which date shall be on or before the 90th calendar day following the last day of the First Period.

“First Period Revenue Milestone” means Revenue of \$26,100,000 during the First Period Timeframe.

“First Period Revenue Threshold” is the amount equal to 56.5% multiplied by the First Period Revenue Milestone.

“First Period Timeframe” means any twelve (12) consecutive month period during the First Period and all references to the “First Period Timeframe” in this Agreement shall be to the same twelve (12) consecutive month period.

“Governmental Authority” means: (a) any court, tribunal, judicial body or arbitral body or arbitrator; (b) any domestic or foreign government or supranational body or authority whether multinational, national, federal, provincial, territorial, state, municipal or local and any governmental agency, governmental authority, governmental body, governmental bureau, governmental department, governmental tribunal or governmental commission of any kind whatsoever; (c) any subdivision or authority of any of the foregoing; (d) any quasi-governmental or private body or public body exercising any regulatory, administrative, expropriation or taxing authority under or for the account of the foregoing; (e) any stock or securities exchange; and (f) any public utility authority.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination, award, decision, sanction or ruling entered by or with any Governmental Authority.

“Hazardous Substance” means, collectively, petroleum, any petroleum product, any radioactive material (including radon gas), explosive or flammable materials, asbestos in any form, urea-formaldehyde foam insulation, and polychlorinated biphenyls, any pollutant, contaminant, waste, hazardous substance, hazardous material, hazardous waste, toxic substance, dangerous substance, dangerous good, restricted hazardous waste, toxic substance or a source of contamination, as defined or identified in any Environmental Law.

“Hostile Takeover” means any transaction (or one or more related transactions) pursuant to which any Person (other than Thomas Larssen, Terry Booth, any of their Affiliates or those that they act jointly and in concert with) is or becomes the beneficial owner, directly or indirectly, of securities of Purchaser representing fifty percent (50%) or more of the total voting power represented by Purchaser’s outstanding voting securities without the approval of the board of directors of Purchaser.

“HST/GST” means all taxes levied under Part IX of the *Excise Tax Act* (Canada).

“IFRS” means International Financial Reporting Standards.

“Incumbent Director” means any member of the board of directors of AUSA who was a member of the board of directors of AUSA immediately prior to a Change of Control and any successor to an Incumbent Director who is recommended or elected or appointed to succeed an Incumbent Director by the affirmative vote of the board of directors of AUSA when that affirmative vote includes the affirmative vote of a majority of Incumbent Directors then on the board of directors of AUSA.

“Indebtedness” of any Person shall mean, as of any specified date and without duplication, the following obligations (whether or not then due and payable), to the extent they are obligations of such Person or its subsidiary or guaranteed by such Person or its subsidiary, including through the grant of a security interest upon any assets of such Person or its subsidiary: (i) all outstanding indebtedness for borrowed money owed to third parties, (ii) all accrued interest payable with respect to Indebtedness referred to in clause (i), (iii) all obligations for the deferred purchase price of property or services (including any potential future earn-out, purchase price adjustment, releases of “holdbacks” or similar payments, but excluding any such obligations to the extent there is cash being held in escrow exclusively for purposes of satisfying such obligations), except incurred in the Ordinary Course (**“Deferred Purchase Price”**), (iv) all obligations

evidenced by notes, bonds, debentures or other similar instruments (whether or not convertible) or arising under indentures, (v) all obligations arising out of any financial hedging, swap or similar arrangements, (vi) all obligations as lessee that would be required to be capitalized in accordance with IFRS, (vii) all obligations in connection with any letter of credit, banker's acceptance, guarantee, surety, performance or appeal bond, or similar credit transaction and (viii) the aggregate amount of all prepayment premiums, penalties, breakage costs, "make whole amounts," costs, expenses and other payment obligations of such Person that would arise (whether or not then due and payable) if all such items under clauses (i) through (vii) were prepaid, extinguished, unwound or settled in full as of such specified date. For purposes of determining the Deferred Purchase Price obligations as of a specified date, such obligations shall be deemed to be the maximum amount of Deferred Purchase Price owing as of such specified date (whether or not then due and payable) or potentially owing at a future date.

"Indemnified Party" has the meaning set forth in Section 7.6.

"Indemnifying Party" has the meaning set forth in Section 7.6.

"Indemnity Holdback" has the meaning set forth in Section 2.3(a)(iii).

"Indemnity Holdback Payment Date" has the meaning set forth in Section 2.3(a)(iii).

"Independent Contractor" means: (a) any individual who is not, or was not (with respect to former Independent Contractors), an employee, officer or director of an ALPS Entity, or any such individual's personal services company, and which individual or personal services company receives or received remuneration from an ALPS Entity under a Contract for services; and (b) any individual who is an employee, officer or director of an ALPS Entity, but who in the past was an individual who was not an employee, officer or director of an ALPS Entity or any such individual's personal services company, and which individual or personal services company received remuneration from an ALPS Entity under a Contract for services.

"Insurance Policies" has the meaning set forth in Section 3.18.

"Intellectual Property" means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, under the Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trade-marks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (b) all business names, corporate names, telephone numbers and other communication addresses owned or used by ALPS Entities; (c) internet domain names, whether or not trade-marks, registered in any top-level domain by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and related content, accounts with social media companies and the content found thereon and related thereto, and URLs; (d) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and moral rights, and all registrations, applications for registration and renewals of such copyrights; (e) all industrial designs and applications for registration of industrial designs and industrial design rights, design patents and industrial design registrations owned or used by ALPS Entities; (f) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein; (g) patents (including

all patent registrations, reissues, divisional applications or analogous rights, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications and other patent rights and any other Governmental Authority issued indicia of invention ownership (including inventor's certificates and patent utility models); and (h) Software.

“**Interim Balance Sheet**” has the meaning set forth in the definition of “Interim Financial Statements” in this Article 1.

“**Interim Balance Sheet Date**” has the meaning set forth in the definition of “Interim Financial Statements” in this Article 1.

“**Interim Financial Statements**” means the unaudited consolidated interim financial statements of ALPS for the most recent quarter of ALPS (the “**Interim Balance Sheet Date**”), consisting of a balance sheet (the “**Interim Balance Sheet**”), statement of earnings (loss) and retained earnings and statement of cash flows.

“**Interim Period**” means the period of time from and including the date of this Agreement to the Closing Time.

“**Independent Accountant**” has the meaning set forth in Section 2.7(a).

“**Inventory**” means all inventories and other supplies and consumables wherever located, and whether on consignment or not as at the Calculation Time, determined on a gross basis in accordance with IFRS consistently applied but excluding any obsolete or worn-out inventory or inventory that is no longer used.

“**Key Employee Agreements**” means the employment agreements to be entered into by AUSA or ALPS, as applicable, and each Key Employee, in a form agreed to among the parties acting reasonably.

“**Key Employees**” means, collectively, those employees set out in Schedule 1.1 of the Disclosure Schedules.

“**Larssen Employment Agreement**” means the employment agreement to be entered into between ALPS and Thomas Larssen (to be appointed President of ALPS), in a form agreed to among the parties acting reasonably and including the non-competition and non-solicitation provisions contained in Section 1.1 of the Disclosure Schedules.

“**Law**” means any applicable statute, law, ordinance, regulation, rule, instrument, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority having jurisdiction.

“**Liabilities**” has the meaning set forth in Section 3.8.

“**LL**” has the meaning set forth in the preamble.

“**Lola**” has the meaning set forth in the preamble.

“**Losses**” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including legal fees, disbursements and charges on a substantial indemnity basis and the cost of enforcing any right to indemnification hereunder and the cost of pursuing

any insurance providers; provided that “Losses” shall not include punitive or exemplary damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party.

“**Material Adverse Effect**” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (a) the business, results of operations, condition (financial or otherwise) or assets of ALPS Entities or Purchaser Group, as applicable; provided that: (i) “Material Adverse Effect” shall not include any event, occurrence, effect, condition or change, directly or indirectly, arising out of or attributable to: (A) any changes in general economic or political conditions; (B) conditions generally affecting the industries in which ALPS Entities or Purchaser Group, as applicable, operates; (C) any changes in financial or securities markets in general; (D) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (E) general outbreaks of illness; (F) any changes in applicable Laws or accounting rules or principles, including IFRS; or (G) the public announcement, pendency or completion of the transactions contemplated by this Agreement; and (ii) any event, occurrence, fact, condition or change referred to in clauses (i)(A) through (E) shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on ALPS Entities or Purchaser Group, as applicable, compared to other participants in the industries in which ALPS Entities or Purchaser Group, as applicable, conducts its businesses.

“**Material Contracts**” has the meaning set forth in Section 3.10(a).

“**Material Customers**” has the meaning set forth in Section 3.17(a).

“**Material Suppliers**” has the meaning set forth in Section 3.17(b).

“**Milestone Payments**” means the First Period Milestone Payment Amount, Second Period Milestone Payment Amount and Third Period Milestone Payment Amount and “**Milestone Payment**” means any one of them.

“**Net Working Capital**” means: (a) the Current Assets of ALPS Entities; less (b) the Current Liabilities of ALPS Entities, determined as of the close of business on the Closing Date.

“**Objection**” has the meaning set forth in Section 2.7(a).

“**Occupational Health and Safety Acts**” means the *Occupational Health and Safety Act* (Ontario) and all other legislation of any applicable jurisdiction dealing with any of the subject matter of that Act or with respect to any aspect of the occupational health and safety of employees.

“**Ordinary Course**”, when used in relation to the conduct of the Business, means any transaction that constitutes an ordinary day-to-day business activity of ALPS Entities conducted in a manner consistent with ALPS Entities’ past practice or when used in relation to the operation of Purchaser means any transaction that constitutes an ordinary day-to-day business activity of Purchaser in a manner consistent with Purchaser’s past practice.

“**Outside Date**” means March 15, 2021, or such other date as the parties agree to.

“Ownership Amount” means the percentage of ALPS Shares owned by Purchaser as of the date of any calculation.

“Pension Plan” means a **“registered pension plan”** as that term is defined in section 248(1) of the Tax Act.

“Periods” means, collectively, the First Period, the Second Period and the Third Period.

“Permits” means all permits, licences, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

“Permitted Encumbrances” means: (a) statutory Encumbrances for current Taxes, special assessments or other governmental charges not yet due and payable or delinquent or, if overdue, are being contested diligently and in good faith by appropriate proceedings and for which adequate reserves are being maintained and for which appropriate accruals have been established in the Financial Statements in accordance with IFRS; and (b) statutory liens and deposits or pledges made in connection with, or to secure payment of, worker’s compensation, employment insurance, Canada Pension Plan and Québec Pension Plan programs mandated under Law and for which appropriate accruals have been established in accordance with IFRS; (c) restrictions on the transfer of securities arising under Law or under the Articles; and (d) any Encumbrance in favour of AUSA over the Purchased Shares.

“Person” means an individual, corporation, company, limited liability company, body corporate, partnership, joint venture, Governmental Authority, unincorporated organization, trust, association or other entity.

“Personal Information” means any factual or subjective information, recorded or not, about an Employee, Independent Contractor, contractor, agent, consultant, officer, director, executive, client, customer or supplier of an ALPS Entity who is a natural person or a natural person who is a shareholder of Vendors, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual, but does not include the name, title or business address or telephone number of an employee of an ALPS Entity.

“Post-Closing Adjustment Amount” has the meaning set forth in Section 2.5(b).

“Pre-Closing Benefit Liability” means any and all payments for which each ALPS Entity is liable, which are attributable to entitlements owed to Employees or former employees of each ALPS Entity as of the Closing Time, or which such Employees or former employees will become entitled to after the Closing Time, resulting from any Benefit Plan or other agreements or arrangements made with the Vendors or ALPS Entities before the Closing Time, and all claims, payments and obligations owed under any Benefit Plan arising or relating to a period before the Closing Time, including any incurred but not yet paid amounts owed to any Employee or former employee of ALPS Entities or the Vendors, but excluding any Liability arising because of the Purchaser Benefit Plans or other terms and conditions of employment of the Employees after Closing except those relating to terms and conditions of employment of Employees that Purchaser was unaware of as a result of a breach by the Vendors of any of their representations and warranties in this Agreement (without reference to any survival period provided for in this Agreement).

“Pre-Closing Tax Periods” shall mean any Tax Period ending before the Closing and any pre-Closing portion of a Straddle Period.

“**Principal**” means Thomas Larssen.

“**Purchase Price**” has the meaning set forth in Section 2.2.

“**Purchase Option**” has the meaning set forth in Section 2.9.

“**Purchased Shares**” means 102 ALPS Shares, which represent 51% of the ALPS Shares.

“**Purchaser**” has the meaning set forth in the preamble.

“**Purchaser Benefit Plans**” has the meaning set forth in Section 5.10(b).

“**Purchaser Disclosure Record**” means all documents filed by or on behalf of Purchaser on SEDAR since January 1, 2018 that are publicly available on the date hereof.

“**Purchaser Financial Statements**” means collectively the unaudited financial statements of Purchaser for the three and six months ended September 30, 2020 (the “**Purchaser Balance Sheet Date**”) and the audited financial statement of Purchaser for the year ended March 31, 2020 each consisting of a balance sheet (the most recent of which is herein the “**Purchaser Balance Sheet**”), statement of earnings (loss) and retained earnings, statement of cash flows and related notes thereto.

“**Purchaser Group**” means Purchaser and the Purchaser Subsidiaries.

“**Purchaser Indemnitees**” has the meaning set forth in Section 7.2.

“**Purchaser’s Knowledge**” or any other similar knowledge qualification means the actual knowledge of any director or officer of Purchaser, after reasonable inquiry.

“**Purchaser Subsidiaries**” means, collectively, the subsidiaries of Purchaser as listed under Section 4.4 the Disclosure Schedules.

“**Real Property**” means rights, title, estate and interest, present or future, of ALPS Entities in and to the lands and premises described in Schedule 1.1(ii), including all buildings, erections, structures, fixtures and improvements of any nature or kind now and hereafter situated thereon and all other appurtenances thereto.

“**Related Party**” has the meaning set forth in Section 3.25(b).

“**Related Party Receivables**” means any receivable owing to ALPS Entities by the Vendors or any other Related Party.

“**Related Person**” has the meaning set forth in Section 3.25(a).

“**Release**” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandoning, disposing or allowing to escape or migrate of any Hazardous Substance into or through the Environment or as defined in any Environmental Law.

“Remedial Order” means any Governmental Order issued, filed or imposed under any Environmental Law and includes any Governmental Order requiring any remediation or clean-up of any Hazardous Substance, or requiring that any Release or Disposal be reduced or eliminated.

“Representative” means, with respect to any Person, any, and all, directors, officers, employees, consultants, financial advisors, lawyers, accountants and other agents of such Person.

“Revenue” has the meaning given to such term under IFRS.

“Second Period” means the period commencing on the day following the last day of the First Period and ending on the earlier of: (i) eighteen (18) months thereafter; or (ii) at the election of the Vendors by way of a written notice to Purchaser within 60 days thereof, the Second Period Milestone Date, provided that the Second Period Milestone Date is no later than (i).

“Second Period Actual EBITDA” means the EBITDA of ALPS during the Second Period Timeframe.

“Second Period Actual Revenue” means the Revenue of ALPS during the Second Period Timeframe.

“Second Period EBITDA Milestone” means the EBITDA of ALPS of \$16,200,000 during the Second Period Timeframe.

“Second Period EBITDA Threshold” is the amount equal to 56.5% multiplied by the Second Period EBITDA Milestone.

“Second Period Milestone Date” means the last day of any fiscal quarter of Purchaser during the period commencing on the day following the last day of the First Period and ending eighteen (18) months thereafter, if any, on which the Second Period Actual EBITDA and the Second Period Actual Revenue exceed each of the Second Period EBITDA Threshold and the Second Period Revenue Threshold.

“Second Period Milestone Payment Amount” has the meaning given to it in Section 2.6(a)(ii).

“Second Period Milestone Payment Date” means the date on which the Second Period Milestone Payment Amount, if any, is paid, which date shall be on or before the 90th calendar day following the last day of the Second Period.

“Second Period Revenue Milestone” means Revenue of \$36,000,000 during the Second Period Timeframe.

“Second Period Revenue Threshold” is the amount equal to 56.5% multiplied by the Second Period Revenue Milestone.

“Second Period Timeframe” means any twelve (12) consecutive month period during the Second Period and all references to the “Second Period Timeframe” in this Agreement shall be to the same twelve (12) consecutive month period.

“SEMA” has the meaning set forth in Section 3.30(a)(ii).

“Shareholder Loans” has the meaning set forth in Section 3.8.

"Shareholder Loan Balance" has the meaning set forth in Section 6.2(n).

"Shareholders' Agreement" means the shareholders' agreement of ALPS, to be entered into between Purchaser, the Vendors and ALPS, in a form agreed to among the parties acting reasonably.

"Software" means computer programs, operating systems, applications, interfaces, applets, software scripts, macros, firmware, middleware, development tools and other codes, instructions or sets of instructions for computer hardware or software, including SQL and other query languages, hypertext markup language, wireless markup language, xml and other computer markup languages, in object, source code or other code format.

"Straddle Period" means any Tax Period beginning before the Closing Date and ending after the Closing Date.

"Tax Act" means the *Income Tax Act* (Canada).

"Tax" or **"Taxes"** means all taxes, surtaxes, duties, levies, imposts, fees, assessments, reassessments, withholdings, dues and other charges of any nature, imposed or collected by any Governmental Authority, whether disputed or not, including federal, provincial, territorial, state, municipal and local, foreign and other income, franchise, capital, real property, personal property, withholding, payroll, health, transfer, value added, alternative, or add on minimum tax including HST/GST, sales, use, consumption, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, school, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings and Canada Pension Plan contributions, employment insurance premiums and all other taxes and similar governmental charges, levies or assessments of any kind whatsoever imposed by any Governmental Authority including any installment payments, interest, penalties or other additions associated therewith, whether or not disputed.

"Tax Period" means any period prescribed by any Governmental Authority for which a Tax Return is required to be filed or Tax is required to be paid.

"Tax Return" means all reports, returns, information returns, claims for refunds, elections, designations, estimates, reports and other documents, including any schedule or attachments thereto, filed or required to be filed or supplied to any Governmental Authority in respect of Taxes and including any amendment thereof or attachment thereto.

"Third Period" means the period commencing on the day following the last day of the Second Period and ending on the earlier of: (i) eighteen (18) months thereafter; or (ii) at the election of the Vendors by way of a written notice to Purchaser within 60 days thereof, the Third Period Milestone Date, provided that the Second Period Milestone Date is no later than (i).

"Third Period Actual EBITDA" means the EBITDA of ALPS during the Third Period Timeframe.

"Third Period Actual Revenue" means the Revenue of ALPS during the Third Period Timeframe.

"Third Period EBITDA Milestone" means the EBITDA of ALPS of \$21,000,000 during the Third Period Timeframe.

“Third Period EBITDA Threshold” is the amount equal to 56.5% multiplied by the Third Period EBITDA Milestone.

“Third Period Milestone Date” means the day of any fiscal quarter of Purchaser during the period commencing on the day following the last day of the Second Period and ending eighteen (18) months thereafter, if any, on which the Third Period Actual EBITDA and the Third Period Actual Revenue exceed each of the Third Period EBITDA Threshold and the Third Period Revenue Threshold.

“Third Period Milestone Payment Amount” has the meaning given to it in Section 2.6(a)(iii).

“Third Period Milestone Payment Date” means the date on which the Third Period Milestone Payment Amount, if any, is paid, which date shall be on or before the 90th calendar day following the last day of the Third Period.

“Third Period Revenue Milestone” means Revenue of \$46,600,000 during the Third Period Timeframe.

“Third Period Revenue Threshold” is the amount equal to 56.5% multiplied by the Third Period Revenue Milestone.

“Third Period Timeframe” means any twelve (12) consecutive month period during the Third Period and all references to the “Third Period Timeframe” in this Agreement shall be to the same twelve (12) consecutive month period.

“Third Party Claim” has the meaning set forth in Section 7.6(a).

“Thomas” has the meaning set forth in the preamble.

“Transaction Documents” means (i) this Agreement; (ii) the Shareholders' Agreement; (iii) the Booth Employment Agreement; (iv) the Larssen Employment Agreement; and (v) the Key Employee Agreements.

“Vendors” has the meaning set forth in the preamble.

“Vendor Indemnitees” has the meaning set forth in Section 7.3.

“Vendors' Knowledge” or any other similar knowledge qualification, means the actual knowledge of Thomas and of any director or officer of Lola or ALPS Entities, after reasonable inquiry.

“Wrongful Termination” means the termination of Principal other than for Cause (as such term is defined in the Larssen Employment Agreement).

ARTICLE 2 **PURCHASE AND SALE**

2.1 Purchase and Sale.

Subject to the terms and conditions set forth herein, at the Closing, each of the Vendors shall sell and transfer to Purchaser, and Purchaser shall purchase and accept transfer from each of the Vendors, the Purchased Shares, free and clear of all Encumbrances, for the consideration specified in Section 2.2.

2.2 Purchase Price.

The aggregate purchase price (the “**Purchase Price**”) payable by Purchaser to the Vendors for the Purchased Shares will be \$13,700,000, plus the amount of any Milestone Payments, subject to adjustments pursuant to the terms of this Agreement.

2.3 Payment of Purchase Price.

- (a) Subject to the provisions of this Agreement, Purchaser shall satisfy the Purchase Price as follows:
- (i) by paying to the Vendors \$2,000,000 on the Closing Date, less any Indebtedness of ALPS Entities as of the Closing Date as set out in Schedule 2.3(a)(i) of the Disclosure Schedules, by wire transfer of immediately available funds (the “**Closing Cash Payment**”) to an account of the Vendors designated in writing by the Vendors to Purchaser;
 - (ii) by paying to the Vendors \$10,000,000 (the “**Closing Cash/Share Payment**”) on the Closing Date, either in cash, the issuance of AUSA Shares or both, at the election of Purchaser, with any AUSA Shares so issued at a deemed price per AUSA Share of \$0.20;
 - (iii) by paying to the Vendors \$1,700,000 (the “**Indemnity Holdback**”), subject to Section 2.8 and adjustment pursuant to Article 7, on the day that is 18 months after Closing (the “**Indemnity Holdback Payment Date**”), which Indemnity Holdback shall be paid either in cash, the issuance of AUSA Shares or both, at the election of Purchaser, with any AUSA Shares so issued at a deemed price per AUSA Share equal to the greater of (a) the VWAP of the AUSA Shares on the CSE for the 10 trading days immediately prior to the Indemnity Holdback Payment Date; and (b) \$0.14625;
 - (iv) by paying to the Vendors the Post-Closing Adjustment Amount if such amount is a positive amount, subject to and in accordance with Section 2.5; and
 - (v) by paying to the Vendors up to the aggregate amount of \$12,240,000 (the “**Milestone Amount**”), subject to Section 2.8 and in accordance with Section 2.6.

2.4 Allocation of Purchase Price.

The Purchase Price shall be allocated between the Vendors as follows:

Party	Purchase Price Allocation
Lola	50%
Thomas	50%

2.5 Post-Closing Purchase Price Adjustment.

- (a) Within 90 days after the Closing Date, Purchaser shall prepare and deliver to the Vendors a statement (the “**Final Net Working Capital Statement**”) setting forth its calculation of the actual Net Working Capital (the “**Final Net Working Capital**”), which Final Net Working Capital Statement shall contain a balance sheet of ALPS Entities as of the Closing Date (without giving effect to the transactions contemplated herein) and a calculation of the Final Net Working Capital using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Financial Statements for the most recent financial year end.
- (b) The “**Post-Closing Adjustment Amount**” shall be an amount equal to the Final Net Working Capital.
- (c)
 - (i) If the Post-Closing Adjustment Amount is a positive number greater than \$300,000, then Purchaser shall pay the Post-Closing Adjustment Amount to the Vendors on a pro rata basis based on their respective Purchase Price allocation as set out in Section 2.4 with such payment being payable at the earlier of (i) immediately prior to the consummation of a Change of Control of AUSA, or (ii) such time as the Purchaser has a cash balance of not less than \$10,000,000; and
 - (ii) if the Post-Closing Adjustment Amount is a negative number greater than \$300,000, then the Vendors shall pay on a pro rata basis based on their respective Purchase Price allocation as set out in Section 2.4, the Post-Closing Adjustment Amount to Purchaser, with such payment being payable at the earlier of (i) immediately prior to the consummation of a Change of Control of AUSA, or (ii) such time as the Purchaser has a cash balance of not less than \$10,000,000,

with any such payment to be made by wire or electronic fund transfer of immediately available funds to an account designated by the receiving Party. If the Post Closing Adjustment Amount is a positive or negative number equal to or less \$300,000, no amount shall be payable by either the Purchaser or the Vendors.

2.6 Milestone Amount.

- (a) The Purchase Price shall be adjusted upward by the amount of any Milestone Payment calculated as follows:
 - (i) Upon the completion of the First Period, if each of the First Period Actual EBITDA and First Period Actual Revenue exceed each of the First Period EBITDA Threshold and First Period Revenue Threshold, respectively, an amount calculated pursuant to the following formula shall be paid by Purchaser to the Vendors, in accordance with Section 2.10, which payment shall occur on the First Period Milestone Payment Date:

Ownership Amount x (First Period Actual EBITDA / First Period EBITDA Milestone x \$4,800,000 + First Period Actual Revenue / First Period Revenue Milestone x \$3,200,000) (the “**First Period Milestone Payment Amount**”)

However, for the purposes of the above formula, the First Period Actual EBITDA or First Period Actual Revenue amounts shall not exceed the First Period EBITDA Milestone or First Period Revenue Milestone, respectively.

- (ii) Upon the completion of the Second Period, if each of the Second Period Actual EBITDA and Second Period Actual Revenue exceed each of the Second Period EBITDA Threshold and Second Period Revenue Threshold, respectively, an amount calculated pursuant to the following formula shall be paid by Purchaser to the Vendors, in accordance with Section 2.10, which payment shall occur on the Second Period Milestone Payment Date:

Ownership Amount x (Second Period Actual EBITDA / Second Period EBITDA Milestone x \$4,800,000 + Second Period Actual Revenue / Second Period Revenue Milestone x \$3,200,000) (the “**Second Period Milestone Payment Amount**”)

However, for the purposes of the above formula, the Second Period Actual EBITDA or Second Period Actual Revenue amounts shall not exceed the Second Period EBITDA Milestone or Second Period Revenue Milestone, respectively.

- (iii) Upon the completion of the Third Period, if each of the Third Period Actual EBITDA and Third Period Actual Revenue exceed each of the Third Period EBITDA Threshold and Third Period Revenue Threshold, respectively, an amount calculated pursuant to the following formula shall be paid by Purchaser to the Vendors, in accordance with Section 2.10, which payment shall occur on the Third Period Milestone Payment Date:

Ownership Amount x (Third Period Actual EBITDA / Third Period EBITDA Milestone x \$4,800,000 + Third Period Actual Revenue / Third Period Revenue Milestone x \$3,200,000) (the “**Third Period Milestone Payment Amount**”)

However, for the purposes of the above formula, the Third Period Actual EBITDA or Third Period Actual Revenue amounts shall not exceed the Third Period EBITDA Milestone or Third Period Revenue Milestone, respectively.

- (b) For certainty, no single Milestone Payment shall exceed \$8,000,000.
- (c) In the event that a customer does not honour its payment obligations under any agreement with ALPS Entities, which payments were included when calculating ALPS’ EBITDA or Revenue for the purposes of this Section 2.6, the applicable Milestone Payment shall thereafter forthwith be recalculated to reflect such failed customer payment and the Vendors shall be required to repay Purchaser an amount equal to the difference between the amount paid in respect of such Milestone Payment and the recalculated amount of such Milestone Payment. Such amount shall be repaid by the Vendors to Purchaser

forthwith following the settlement of the recalculation, or, alternatively, Purchaser may, at its option, set-off such amount against a future Milestone Payment.

2.7 Dispute Settlement

- (a) In the event of a dispute regarding (i) the Final Net Working Capital Statement or the determination of Final Net Working Capital as contemplated in Section 2.5(a) or (ii) the calculation of ALPS' EBITDA or Revenue for the purposes of this Section 2.6, the Vendors shall give notice to Purchaser no later than 30 Business Days after delivery to the Vendors of the calculation of ALPS' EBITDA or Revenue or the Final Net Working Capital Statement (the "**Objection**"). Any Objection shall set out, in reasonable detail, the particulars of the Objection. The Vendors and Purchaser shall then use reasonable efforts to resolve the Objection within the period ending 30 days following the giving of such notice. If the Objection is not resolved by the Vendors and Purchaser by the end of such 30-day period, then the Objection shall be submitted by the Vendors and Purchaser to a mutually acceptable, independent, nationally recognized accounting firm that has not performed services for any of Purchaser, the Vendors or ALPS Entities in the preceding five years (the "**Independent Accountant**"), with a mandate to resolve the Objection promptly and, in any event, within 30 days after the Independent Accountant's appointment. Any submissions of Purchaser or the Vendors to the Independent Accountant will be disclosed to the other party, and such party will be afforded a reasonable opportunity to respond to such submissions. The determination by the Independent Accountant, who will act as an expert and not as an arbitrator, will be made only with respect to specific items under dispute by the Vendors and Purchaser, and will be final and binding on the parties with each party agreeing to pay the other party any amounts due as a result of the final determination within three Business Days after the final determination by the Independent Accountant. Purchaser on the one hand and the Vendors on the other (on a pro rata basis based on their respective Purchase Price allocation as set out in Section 2.4) shall share the fees and expenses of the Independent Accountant based on the relative success of each, with the less successful bearing a greater proportion of such fees and expenses.

2.8 Employment of Principal.

Payment by Purchaser to the Vendors of the amounts pursuant to Section 2.3(a)(iii) (Indemnity Holdback) and Section 2.3(a)(v) (Milestone Amount) are conditional on Principal being an employee of AUSA, unless Principal's employment has ceased due to a Wrongful Termination. For clarity, if Principal is not an employee of AUSA (other than where such failure to be an employee of AUSA is a result of Wrongful Termination) on the date the Indemnity Holdback and/or a Milestone Payment is payable, the Vendors shall forfeit the Indemnity Holdback and/or applicable Milestone Payment amounts.

2.9 Purchase Option.

The Vendors hereby grant to Purchaser an option (the "**Purchase Option**"), exercisable at any time after the Closing Date and on or before the third anniversary of the Closing Date, to purchase some or all of the ALPS Shares owned by the Vendors on the following terms:

- (a) Purchaser may elect to acquire the remaining ALPS Shares owned by the Vendors (being 49% of the issued and outstanding ALPS Shares) for an amount equal to \$14,300,000, plus any past Milestone Payment multiplied by that percentage of ALPS Shares owned by the Vendors at the time of the calculation of such Milestone Payment (the “**Option Amount**”);
- (b) Purchaser may exercise all or part of the Purchase Option on a *pro-rata* basis at any time until the third anniversary of the Closing (in which case the Option Amount will be calculated on a pro-rata basis); and
- (c) The Option Amount, or any fraction thereof, shall be payable (“**Option Payment**”) in accordance with Section 2.10.

2.10 Milestone Payment and Option Payment.

Each Milestone Payment and Option Payment shall be paid in either cash, the issuance of AUSA Shares, or both, at the election of Purchaser, with any AUSA Shares so issued at a deemed price per AUSA Share equal to the greater of (a) the VWAP of the AUSA Shares on the CSE for the 10 trading days immediately prior to the applicable Milestone Payment or Option Payment; and (b) \$0.14625. In the event that the issuance of AUSA Shares would result in a “change of control” (as such term is defined in Policy 8 of the CSE), Purchaser will be prohibited from paying the Milestone Payment or Option Payment (or portion thereof that results in the “change of control”) in AUSA Shares and shall be required to make such payment (or portion thereof) in cash.

2.11 AUSA Shares Restrictions.

- (a) Any AUSA Shares issued in connection with this Agreement, including any Closing Cash/Share Payment, Indemnity Holdback, Milestone Payment or Option Payment, will be subject to the following restrictions on sale (“**AUSA Shares Restrictions**”):
 - (i) 25% of AUSA Shares to be free trading at issuance;
 - (ii) 25% of AUSA Shares to be free trading 6 months after issuance;
 - (iii) 25% of AUSA Shares to be free trading 12 months after issuance; and
 - (iv) 25% of AUSA Shares to be free trading 18 months after issuance.
- (b) All AUSA Shares Restrictions will be lifted immediately in the event of a Change of Control, and may be amended from time-to-time as agreed upon by the Vendors and the board of directors of AUSA, acting reasonably.
- (c) The Vendors will be required to provide two weeks' prior written notice to AUSA's Chairman should the Vendors wish to sell any AUSA Shares.

2.12 Hostile Takeover of Purchaser

Notwithstanding Section 2.6 or any other provision of this Agreement to the contrary, in the event of a Hostile Takeover, Purchaser shall, immediately prior to the consummation of the Hostile Takeover,

purchase all of the ALPS Shares owned by the Vendors in accordance with Section 2.9 and pay to the Vendors the Indemnity Holdback, the Shareholder Loan Balance (each unless already re-paid) and the entirety of the Milestone Amount for any of the Periods which have not then expired.

2.13 Closing.

Subject to the terms and conditions of this Agreement, the purchase and sale of the Purchased Shares contemplated hereby shall take place at a closing (the “**Closing**”) to be held at the Closing Time on the date that is three Business Days after the last of the conditions to Closing of this Agreement have been satisfied or waived by the Vendors and/or Purchaser, as applicable (other than conditions which, by nature, are to be satisfied on the Closing Date), or at such other time or on such other date as the Vendors and Purchaser may mutually agree upon in writing (the day on which the Closing takes place being the “**Closing Date**”).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF VENDORS

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, each of the Vendors hereby severally, and not jointly and severally, represents and warrants to Purchaser that the statements contained in this Article 3 are true and correct as of the date hereof.

3.1 Corporate Status and Authorization of the Vendors.

Each of the Vendors has the power and capacity to enter into this Agreement and the other Transaction Documents to which each such Vendor is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each of the Vendors of this Agreement and any other Transaction Documents to which each Vendor is a party, the performance by each Vendor of its obligations hereunder and thereunder and the consummation by each of the Vendors of the transactions contemplated hereby and thereby have been duly authorized. This Agreement has been duly executed and delivered by each Vendor, and (assuming due authorization, execution and delivery by Purchaser), this Agreement constitutes a legal, valid and binding obligation of each Vendor enforceable against the Vendors in accordance with its terms. When each other Transaction Document to which such Vendor is or will be a party has been duly executed and delivered by each Vendor (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal, valid and binding obligation of each Vendor enforceable against it in accordance with its terms.

3.2 Corporate Status and Extra-Provincial Registration of ALPS Entities.

Each ALPS Entity is duly organized, validly existing and in active status under the laws of its jurisdiction of formation and has not been discontinued or dissolved under such Laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution or, to Vendors' Knowledge, the bankruptcy, insolvency, liquidation or winding up of any ALPS Entity. Each ALPS Entity has submitted all notices or returns of corporate information and other filings required by Law to be submitted by it to any Governmental Authority. Each ALPS Entity has the corporate power and capacity to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on the Business as it has been and is currently conducted. Schedule 3.2 of the Disclosure Schedules sets forth each jurisdiction in which each ALPS Entity is licensed or registered to carry on business, and each ALPS Entity is duly

licensed or registered to carry on business and has submitted all material notices or returns of corporate information and other filings required by Law to be submitted by it to any Governmental Authority in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or registration necessary. All corporate actions taken by each ALPS Entity in connection with this Agreement and the other Transaction Documents will be duly authorized on or before the Closing.

3.3 Solvency.

No Vendor is an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and no Vendor has committed an act of bankruptcy, made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof. No Vendor has initiated proceedings with respect to a compromise or arrangement with its creditors or, in the case of any Lola, for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of any Vendor or any of any Vendor's assets and no execution or distress has been levied on any of assets of any Vendor (including the Purchased Shares), nor have proceedings been commenced in connection with any of the foregoing.

3.4 Capitalization.

- (a) The authorized capital of ALPS consists of an unlimited number of common shares of which 200 ALPS Shares are issued and outstanding. All the outstanding ALPS Shares have been duly authorized, are validly issued, fully paid and non-assessable, and the Vendors are the registered and beneficial owners of the number of ALPS Shares as per the chart set out in Section 3.4 of the Disclosure Schedules, free and clear of all Encumbrances. Each Vendor has the exclusive right to dispose of the Purchased Shares being sold by it pursuant to this Agreement as provided for in this Agreement.
- (b) All the ALPS Shares were issued in compliance with applicable Laws. None of the ALPS Shares were issued in violation of any agreement, arrangement or commitment to which the Vendors or ALPS is a party or are subject to or in violation of any pre-emptive or similar rights of any Person.
- (c) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any ALPS Shares or obligating the Vendors or ALPS to issue or sell any ALPS Shares of, or any other interest in, ALPS. ALPS does not have any outstanding and has not authorized any share appreciation, phantom share, profit participation or similar rights. There are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements or other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the ALPS Shares.
- (d) There are no proceedings pending or, to the Vendors' Knowledge, threatened against either of the Vendors which could in any manner affect the Purchased Shares or affect, restrain or prevent any Vendor from legally transferring the Purchased Shares or affect, restrain or prevent any Vendor from legally transferring the Purchased Shares to Purchaser in accordance with this Agreement. To the Vendors' Knowledge, there is not any factual or legal basis on which any such proceedings might be commenced.

3.5 Subsidiaries.

Section 3.5 of the Disclosure Schedules sets forth a list of each of the ALPS Subsidiaries, including (i) its name and jurisdiction of incorporation or formation, (ii) the number of issued and outstanding shares of each class of its capital, and (iii) the holder of such ownership interests. All of the issued and outstanding shares of capital of each ALPS Subsidiary have been duly authorized and are validly issued, fully paid, and non-assessable and issued in compliance with applicable Law and not subject to or held in violation of any purchase option, call option, right of first refusal, preemptive rights, subscription right, equity holders' agreement, voting agreement or any similar right under applicable Law or the organizational documents of the ALPS Subsidiaries. ALPS beneficially owns all of the outstanding equity interests of each ALPS Subsidiary free and clear of any Encumbrances. No ALPS Entity controls directly or indirectly or has any direct or indirect equity interests in any corporation, partnership, trust, or other business association that is not an ALPS Subsidiary. No ALPS Entity has an obligation to, or has any right to acquire, directly or indirectly, any outstanding capital stock of, or other equity interests in, any Person, or to provide funds to, make an investment in (in the form of a loan, capital contribution or otherwise) or provide any guarantee with respect to the obligations of, any other Person. The Business is conducted solely and exclusively by ALPS Entities.

3.6 No Conflicts; Consents.

The execution, delivery and performance by each of the Vendors of this Agreement and the other Transaction Documents to which it/he is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the Articles, by-laws, unanimous shareholder agreement or other constating documents of Lola or any ALPS Entity; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to such Vendor or ALPS Entity; (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which any such Vendor or ALPS Entity is a party or by which any such Vendor or ALPS Entity is bound or to which any of their respective assets are subject (including any Material Contract) or any Permit affecting the Assets or Business of ALPS Entities; or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any Assets of ALPS Entities. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to any Vendor or ALPS Entity in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby.

3.7 Financial Statements.

- (a) Complete copies of the Financial Statements and Interim Financial Statements have been delivered to Purchaser. The Financial Statements have been prepared in accordance with IFRS applied on a consistent basis throughout the period involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which could not reasonably be expected to have a Material Adverse Effect) and the absence of notes (that, if presented, would not differ materially from those presented in the Financial Statements).

- (b) The Financial Statements: (i) are based on the Books and Records of ALPS Entities; and (ii) fairly, completely and accurately present in all material respects the Assets, Liabilities and financial position of ALPS Entities as of the respective dates they were prepared and the results of the operations of ALPS Entities for the periods covered thereby.
- (c) Each ALPS Entity maintains a standard system of accounting established and administered in accordance with IFRS.

3.8 Undisclosed Liabilities.

Each ALPS Entity has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise (collectively, the “**Liabilities**”), except: (a) those that are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date; and (b) those that have been incurred in the Ordinary Course since the Balance Sheet Date and that are not, individually or in the aggregate, material in amount. As of the date hereof, there are \$2,750,000.00 of non-interest bearing shareholder loans owing by the ALPS Entities to the Vendors (the “**Shareholder Loans**”).

3.9 Absence of Certain Changes, Events and Conditions.

Since the Balance Sheet Date, and other than in the Ordinary Course, there has not been, with respect to each ALPS Entity, any:

- (a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (b) amendment of the Articles, by-laws, unanimous shareholder agreement or other constating documents of any ALPS Entity;
- (c) split, consolidation or reclassification of any ALPS Shares or equity interests in any ALPS Entity;
- (d) issuance, sale or other disposition of any ALPS Shares or equity interests in any ALPS Entity, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any ALPS Shares or equity interests in any ALPS Entity;
- (e) declaration or payment of any dividends or distributions on or in respect of any ALPS Shares or equity interests in any ALPS Entity or redemption, retraction, purchase or acquisition of ALPS Shares or equity interests of any ALPS Entity;
- (f) material change in any method of accounting or accounting practice of any ALPS Entity, except as required by IFRS or as disclosed in the notes to the Financial Statements;
- (g) material change in any ALPS Entities' cash management practices and its policies, practices and procedures with respect to collection of Accounts Receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control,

- prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;
- (h) entry into any Contract that would constitute a Material Contract;
 - (i) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the Ordinary Course;
 - (j) transfer, assignment, sale or other disposition of any of the Assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements;
 - (k) transfer, assignment or grant of any licence or sublicense of any material rights under or with respect to any Corporate IP or Corporate IP Agreements other than in the Ordinary Course;
 - (l) material damage, destruction or loss (whether or not covered by insurance) to any of its Assets;
 - (m) any capital investment in, or any loan to, any other Person;
 - (n) acceleration, termination, material modification to or cancellation of any Contract to which an ALPS Entity is a party or by which it is bound;
 - (o) any material capital expenditures;
 - (p) imposition of any Encumbrance upon any of the ALPS Shares, ALPS Entities equity interests, or Assets, tangible or intangible;
 - (q) (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, Independent Contractors or consultants, other than as provided for in any written agreements or required by applicable Law; (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed \$10,000; or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, Independent Contractor or consultant;
 - (r) hiring or promoting any individual as or to (as the case may be) an officer or hiring or promoting any employee below officer except to fill a vacancy in the Ordinary Course;
 - (s) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, Independent Contractor or consultant; (ii) Benefit Plan; or (iii) Collective Agreement, in each case, whether written or oral;
 - (t) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its Related Parties;

- (u) entry into a new line of business or abandonment or discontinuance of existing lines of business;
- (v) adoption of any amalgamation, arrangement, reorganization, liquidation or dissolution or the commencement of any proceedings by any ALPS Entity or its creditors seeking to adjudicate any ALPS Entity as bankrupt or insolvent, making a proposal with respect to an ALPS Entity under any Law relating to bankruptcy, insolvency, reorganization, arrangement or compromise of debts or similar laws, appointment of a trustee, receiver, receiver-manager, agent, custodian or similar official for an ALPS Entity or for any substantial part of its Assets;
- (w) purchase, lease or other acquisition of the right to own, use or lease any Assets for an amount in excess of \$10,000, individually (in the case of a lease, per annum) or \$20,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the Ordinary Course;
- (x) acquisition by amalgamation or arrangement with, or by purchase of a substantial portion of the assets or shares of, or by any other manner, any business or any Person or any division thereof;
- (y) action by an ALPS Entity to make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset or attribute of an ALPS Entity; or
- (z) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

3.10 Material Contracts.

- (a) Schedule 3.10(a) of the Disclosure Schedules lists each of the following Contracts of each ALPS Entity (such Contracts, together with all Contracts concerning the occupancy, management or operation of any Real Property listed or otherwise disclosed in Schedule 3.11(e) of the Disclosure Schedules and all Corporate IP Agreements set forth in Schedule 3.13(b), being “**Material Contracts**”):
 - (i) each Contract of each ALPS Entity involving aggregate consideration in excess of \$20,000 and that, in each case, cannot be cancelled by such ALPS Entity without penalty or without more than 90 days' notice;
 - (ii) all Contracts that require an ALPS Entity to purchase its total requirements of any product or service from a third party or that contain “take or pay” provisions;
 - (iii) all Contracts that provide for the indemnification by an ALPS Entity of any Person or the assumption of any Tax, Environmental or other Liability of any Person;

- (iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of shares or assets of any other Person or any Real Property (whether by amalgamation, sale or issue of shares, sale of assets or otherwise);
 - (v) all employment agreements and Contracts with Independent Contractors or consultants (or similar arrangements) to which an ALPS Entity is a party and that are not cancellable without material penalty or without more than 90 days' notice;
 - (vi) except for Contracts relating to trade receivables, all Contracts relating to Indebtedness (including guarantees) of an ALPS Entity in excess of \$50,000;
 - (vii) all Contracts with any Governmental Authority to which an ALPS Entity is a party;
 - (viii) all Contracts that limit or purport to limit the ability of an ALPS Entity to compete in any line of business or with any Person or in any geographic area or during any period of time;
 - (ix) any Contracts to which an ALPS Entity is a party that provide for any joint venture, partnership or similar arrangement by an ALPS Entity;
 - (x) all shareholder agreements, pooling agreements, voting trusts or similar agreements with respect to the ownership or voting of any of the ALPS Shares or equity interests in an ALPS Entity or restriction of the power of the directors of an ALPS Entity to manage, or supervise the management, of the business and affairs of an ALPS Entity;
 - (xi) all Contracts between or among (A) an ALPS Entity and (B) either or both of the Vendors or any Affiliate of the Vendors (other than ALPS); and
 - (xii) all Collective Agreements to which an ALPS Entity is a party.
- (b) Each Material Contract is valid and binding on such ALPS Entity in accordance with its terms and is in full force and effect. No ALPS Entity or any other party thereto is in material breach of or material default under (or, to the Vendors' Knowledge, is alleged to be in material breach of or material default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Purchaser.

3.11 Title to Assets; Real Property; Leases.

- (a) Each ALPS Entity is the legal and beneficial owner of the Real Property, personal property and other Assets reflected in the Financial Statements.

- (b) Each ALPS Entity has good and marketable title to, or a valid leasehold interest in, all Real Property and personal property and other Assets reflected in the Financial Statements or acquired after the Balance Sheet Date, other than Assets sold or otherwise disposed of in the Ordinary Course since the Balance Sheet Date. All such Real Property, personal property and Assets (including leasehold interests) are free from all Encumbrances except for Permitted Encumbrances.
- (c) Each ALPS Entity does not and has not directly or indirectly owned any legal or beneficial interest in any real property, other than the Real Property.
- (d) Each ALPS Entity has kept and maintained the Real Property in good operating condition and repair to preserve its value, normal wear and tear excepted.
- (e) Schedule 3.11(e) lists: (i) the municipal address of each parcel of Real Property; (ii) if such Real Property is leased or subleased by an ALPS Entity, the details of such lease or sublease, including the name of the landlord, the rental amount currently being paid, and the expiration of the term of such lease or sublease; and (iii) the current use of such Real Property.
- (f) With respect to the current use of the Real Property, to the Vendors' Knowledge:
 - (i) all licences, certificates, consents, approvals, rights, permits (including building and occupancy permits) and agreements required to enable the Real Property to be used, operated and occupied in its current and intended manner are being complied with in all material respects or have been obtained, or to the extent that any have not already been obtained, the same are not yet required and, if not yet required but the same are material, each Vendor has no reason to believe that the same will not be available before the time that the same are so required;
 - (ii) all applicable legal and contractual requirements with regard to the use, occupancy, construction and operation thereof, including all zoning, by-laws, environmental, flood hazard, fire safety, health, handicapped facilities, building and other laws, ordinances, codes, regulations, orders and requirements of any governmental authority are being complied with in all material respects;
 - (iii) all declarations, easements, rights-of-way, covenants, conditions and restrictions of record are being complied with in all material respects;
 - (iv) all material building services required for the proper functioning of the Real Property have been obtained, are functioning properly and are fit and suitable for their intended purpose in all material respects.
- (g) There are no agreements, options, contracts or commitments to sublease, transfer or otherwise allow the use of any portion of any Real Property or that would restrict the ability of an ALPS Entity to directly or indirectly use any Real Property.
- (h) With respect to leased Real Property, to the Vendors' Knowledge:

- (i) The Vendors have delivered or made available to Purchaser true, complete and correct copies of any, and all, leases affecting the Real Property together with all amendments and restatements, renewals, extensions, supplements or modifications thereto.
 - (ii) Each ALPS Entity is not a sublessor or grantor under any sublease, license, occupancy agreement or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any leased Real Property.
 - (iii) As of the date hereof, the leases affecting the leased Real Property together with all amendments and restatements, renewals, extensions, supplements or modifications are in good standing and in full force and effect and no material default has occurred on the part of an ALPS Entity under any of such leases (except in each case, any such default that has previously been cured).
 - (iv) There is no existing condition which, but for the passage of time or the giving of notice, could result in material default by an ALPS Entity under the terms of any of the leases affecting the Real Property together with all amendments and restatements, renewals, extensions, supplements or modifications.
 - (v) There is no existing material defect or condition affecting any of leased Real Property that is materially impairing the current use of such leased Real Property in connection with the Business and each ALPS Entity.
- (i) No material improvements constituting a part of the Real Property encroach on real property owned or leased by a Person other than an ALPS Entity, and there is no encroachment onto the Real Property by buildings or improvements from adjoining lands.
 - (j) There are no Actions pending nor, to Vendors' Knowledge, threatened against any ALPS Entity, the Real Property or any portion thereof or interest of an ALPS Entity therein.
 - (k) The Vendors have not withheld from Purchaser any information of a material nature relating to the Real Property.

3.12 Condition of Assets.

The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of each ALPS Entity are structurally sound, are in good operating condition and repair, having regard to their age and use, reasonable wear and tear excepted, and are adequate in all material respects for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

3.13 Intellectual Property.

- (a) Schedule 3.13(a) of the Disclosure Schedules lists all: (i) Corporate IP Registrations; and (ii) Corporate IP, including Software, that are not registered but that are material to each

ALPS Entity's Business or operations. All required filings and fees related to the Corporate IP Registrations have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Corporate IP Registrations are otherwise in good standing. The Vendors have provided Purchaser with true and complete copies of file histories, documents, certificates, examiner's reports, office actions, correspondence and other materials related to all Corporate IP Registrations.

- (b) Schedule 3.13(b) of the Disclosure Schedules lists all Corporate IP Agreements. The Vendors have provided Purchaser with true and complete copies of all such Corporate IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each Corporate IP Agreement is valid and binding in all material respects on such ALPS Entity in accordance with its terms and is in full force and effect. No ALPS Entity nor any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of breach or default of or any intention to terminate, any Corporate IP Agreement.
- (c) ALPS Entities are the sole and exclusive legal and beneficial, and with respect to the Corporate IP Registrations, registered, owners of all right, title and interest in and to the Corporate IP, and have the valid right to use all other Intellectual Property used in or necessary for the conduct of the Business or ALPS Entities current operations in all material respects, in each case, free and clear of Encumbrances other than Permitted Encumbrances. Without limiting the generality of the foregoing, each ALPS Entity has entered into binding, written agreements with every current and former employee of such ALPS Entity that may be involved with the development of any intellectual property, and with every current and former Independent Contractor that may be involved with the development of any intellectual property, whereby such employees and Independent Contractors: (i) assign to such ALPS Entity any ownership interest and right they may have in the Corporate IP; and (ii) acknowledge that such ALPS Entity's exclusive ownership of all Corporate IP. The Vendors have provided Purchaser with true and complete copies of all such agreements.
- (d) The consummation of the transactions contemplated hereunder will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, each ALPS Entity's right to own, use or hold for use any Intellectual Property as owned, used or held for use in the conduct of the Business or each ALPS Entity's operations as currently conducted.
- (e) Each ALPS Entity's rights in the Corporate IP are valid, subsisting and enforceable. Each ALPS Entity has taken all reasonable steps to maintain the Corporate IP and to protect and preserve the confidentiality of all trade secrets included in the Corporate IP.
- (f) To the Vendors' Knowledge, the conduct of the Business as currently and formerly conducted, and the products, processes and services of each ALPS Entity, have not infringed, misappropriated, diluted or otherwise violated, and do not and will not infringe, dilute, misappropriate or otherwise violate the Intellectual Property or other rights of any Person. To the Vendors' Knowledge, no Person has infringed, misappropriated, diluted or

otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Corporate IP.

- (g) There are no Actions (including any oppositions, expungement proceedings, interferences or re-examinations) settled, pending or, to the Vendors' Knowledge, threatened (including in the form of offers to obtain a licence): (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any Person by any ALPS Entity; (ii) challenging the validity, enforceability, registrability or ownership of any Corporate IP or any ALPS Entity's rights with respect to any Corporate IP; or (iii) by any ALPS Entity or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of the Corporate IP. Each ALPS Entity is not subject to any outstanding Governmental Order (including any application or petition therefor) that does or would restrict or impair the use of any Corporate IP.

3.14 Inventory.

All Inventory, whether or not reflected in the Balance Sheet, consists of a quality and quantity usable and salable in the Ordinary Course, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All Inventory is owned by ALPS Entities free and clear of all Encumbrances, other than Permitted Encumbrances, and no inventory is held on a consignment basis. The quantities of each item of Inventory (whether raw materials, work-in-process or finished goods) are not excessive in any material respects but are reasonable in the present circumstances of ALPS Entities.

3.15 Accounts Receivable.

The Accounts Receivable of ALPS reflected on the Balance Sheet and the Accounts Receivable of ALPS arising after the date thereof: (a) have arisen from *bona fide* transactions entered into by ALPS Entities involving the sale of goods or the rendering of services in the Ordinary Course; and (b) constitute only valid, undisputed claims of ALPS Entities not subject to claims of set-off or other defences or counter-claims other than normal cash discounts accrued in the Ordinary Course.

3.16 Accounts Payable.

Each ALPS Entity has paid its Accounts Payable in a timely manner and in the Ordinary Course and none of the Accounts Payable are overdue or subject to defenses, counterclaims or rights of setoff in any material respect.

3.17 Customers and Suppliers.

- (a) Schedule 3.17(a) of the Disclosure Schedules sets forth: (i) each customer who has paid aggregate consideration to any ALPS Entity for goods or services rendered in an amount greater than or equal to \$100,000 in either of the two most recent financial years (collectively, the “**Material Customers**”); and (ii) the amount of consideration paid by each Material Customer during such periods.
- (b) Schedule 3.17(b) of the Disclosure Schedules sets forth: (i) each supplier to whom any ALPS Entity has paid consideration for goods or services rendered in an amount greater

than or equal to \$100,000 in either of the two most recent financial years (collectively, the “**Material Suppliers**”); and (ii) the amount of purchases from each Material Supplier during such periods. No ALPS Entity has received any notice, and has no reason to believe, that any of its Material Suppliers has ceased, or intends to cease, to supply goods or services to such ALPS Entity or to otherwise terminate or materially reduce its relationship with such ALPS Entity.

3.18 Insurance.

Schedule 3.18 of the Disclosure Schedules sets forth a true and complete list of all current policies or binders of the insurance policies maintained by the Vendors or their Affiliates (including ALPS Entities) and relating to the Assets, Business, operations, employees, officers and directors of each ALPS Entity (collectively, the “**Insurance Policies**”) and true and complete copies of each of the Insurance Policies have been made available to Purchaser. The Insurance Policies are in full force and effect and shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement. Neither of the Vendors nor any of their Affiliates (including ALPS Entities) has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of any Insurance Policies. All premiums due on the Insurance Policies have either been paid or, if due and payable before Closing, will be paid before Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of any ALPS Entity. All such Insurance Policies: (a) are valid and binding in accordance with their terms; and (b) have not been subject to any lapse in coverage. There are no claims related to the Business pending under any Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. Neither of the Vendors nor any of their Affiliates (including ALPS Entities) is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business that is similar to the Business of ALPS Entities and are sufficient for compliance with all applicable Laws and material Contracts to which each ALPS Entity is a party or by which it is bound.

3.19 Legal Proceedings; Governmental Orders.

- (a) Except as set out in Schedule 3.19(a), there are no Actions pending or, to the Vendors' Knowledge, threatened: (a) against or by any ALPS Entity affecting any of its Assets (or by or against the Vendors or any Affiliate thereof and relating to any ALPS Entity); or (b) against or by any ALPS Entity, the Vendors or any Affiliate of the Vendors that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. To the Vendors' Knowledge, no event has occurred, or circumstances exist, that may give rise to, or serve as a basis for, any such Action.
- (b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting any ALPS Entity or any of its Assets.

3.20 Compliance with Laws; Permits.

- (a) Each ALPS Entity has complied, and is now complying, with all Laws applicable to it and its Business and Assets in all material respects.

- (b) All Permits required for each ALPS Entity to conduct the Business have been obtained by it and are valid and in full force and effect in all material respects. All fees and charges with respect to such Permits as of the date hereof have been paid in full. Schedule 3.20(b) of the Disclosure Schedules lists all current Permits issued to each ALPS Entity, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Schedule 3.20(b) of the Disclosure Schedules.

3.21 Environmental Matters.

- (a) Each ALPS Entity is: (i) in compliance with all applicable Environmental Laws in all material respects; and (ii) possesses and is in material compliance with all Environmental Permits necessary to operate the Business.
- (b) All such Environmental Permits are listed in Schedule 3.21(b) of the Disclosure Schedules. The Environmental Permits are in full force and effect. There are no Actions in progress, or, to Vendors' Knowledge, pending or threatened, that may result in the cancellation, revocation or suspension of any Environmental Permit.
- (c) None of ALPS Entities, the Business or the Assets are the subject of any Remedial Order.
- (d) No ALPS Entity has received, since its incorporation, any Environmental Notice alleging that such ALPS Entity is in violation of or has any Liability under any Environmental Law that is unresolved.
- (e) No ALPS Entity has entered into or agreed to any consent, settlement or other agreement, nor is any ALPS Entity subject to any Governmental Order in any judicial, administrative, arbitral or other forum relating to compliance with or Liabilities under any Environmental Law.
- (f) No ALPS Entity has released any Hazardous Substances at, on or under any part of the Real Property, and, to Vendors' Knowledge, there are no Hazardous Substances present within the area bounded by the ceiling, walls and floor of any building on any leased Real Property (and excluding anything outside these boundaries), in each case except as would not reasonably be expected to result in a material Liability under any Environmental Law.
- (g) Each ALPS Entity has made available to Purchaser all Environmental audits, assessments, reports and similar reviews and all material correspondence regarding Environmental matters, to the extent that such records are in the possession or under the control of the Vendors or ALPS Entities.
- (h) Neither of the Vendors is aware of or reasonably anticipates, as of the Closing Date, any condition, event or circumstance concerning the Release or regulation of Hazardous Substances that might, after the Closing Date, prevent, impede or increase the costs associated with the ownership, lease, operation, performance or use of the Business or Assets of any ALPS Entity as currently carried out.

3.22 Benefit Plans.

- (a) Schedule 3.22(a) of the Disclosure Schedules contains a true and complete list of all Benefit Plans and all material documents that support each Benefit Plan. No ALPS Entity is party to or bound by, nor does any ALPS Entity have any Liability with respect to, any Benefit Plans other than those listed in Schedule 3.22(a) of the Disclosure Schedules.
- (b) There are no participating employers that have any obligations or Liabilities with respect to any Benefit Plan other than ALPS Entities and each ALPS Entity has no obligations or Liabilities under any Benefit Plan, including to provide benefits, to any Person who is not an employee, director or officer or former employee, director or officer of ALPS Entities.
- (c) To the Vendors' Knowledge, each Benefit Plan complies with and is, and has been, established, registered (where required by Law), administered, funded and invested in accordance with Law in all material respects and the terms of such Benefit Plans including the terms of the material documents that support such Benefit Plans.
- (d) With respect to each Benefit Plan, true and complete copies of each of the following documents, if applicable, have been made available to Purchaser: (i) the document(s) establishing the current terms of the Benefit Plan; and (ii) all other Contracts material to the Benefit Plan.
- (e) No Benefit Plan is a Pension Plan, and none of the Benefit Plans provide benefits beyond retirement or other termination of service to Employees or former employees of any ALPS Entities or to the beneficiaries or dependents of such Employees or former employees.
- (f) No ALPS Entity has any obligation to pay any change-in-control, sale, completion, incentive, stay, retention and similar bonuses or payments to any current or former employee as a result of the transactions contemplated by this Agreement.
- (g) Each Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms, without Liabilities to any ALPS Entity other than ordinary administrative expenses typically incurred in a termination event. No ALPS Entity has any commitment or obligation and has not made any representations to any employee, officer, director, Independent Contractor or consultant, whether or not legally binding, to adopt, amend, modify or continue any Benefit Plan or any Collective Agreement, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.
- (h) No ALPS Entity has received any notice in writing of any pending investigations, and, to the Vendors' Knowledge, there are no pending or threatened investigations, by any Governmental Authority involving or relating to any Benefit Plan or any claims (except for claims for benefits payable in the Ordinary Course operation of the Benefit Plans) or Actions against ALPS Entities in respect of any Benefit Plan.
- (i) Each individual who is classified by an ALPS Entity as an Independent Contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

3.23 Employment Matters.

- (a) Schedule 3.23(a) of the Disclosure Schedules sets forth the list of Employees, which indicates as of the date hereof: (i) the titles of all Employees and the location of their employment; (ii) the date each Employee was hired; (iii) which Employees are subject to a written employment agreement with ALPS Entities; (iv) the annual wage of each Employee at the date of such list, any bonuses paid to each Employee since the end of such ALPS Entity's last completed financial year and before the date of such list and all other bonuses, incentive schemes, benefits, commissions and other compensation to which each Employee is entitled; (v) the vacation days to which each Employee is entitled on the date of such list; and (vi) the Employees that are not actively working on the date of this Agreement due to leave of absence, illness, injury, accident or other disabling condition.
- (b) Schedule 3.23(b) of the Disclosure Schedules lists: (i) all Contracts with any Employee who is a manager or executive of an ALPS Entity or is being provided with an annual compensation of more than \$100,000; and (ii) all Contracts that provide for severance, termination or similar payments or entitlements of more than \$50,000, including on a change of control of any ALPS Entity.
- (c) Correct and complete copies of all the Contracts set out in Schedule 3.23(b) of the Disclosure Schedules have been made available to Purchaser.
- (d) All Employees are subject to a written employment contract with the applicable ALPS Entity. No Employees are subject to an oral employment contract with ALPS Entities, and no Employees have any oral entitlements in addition to their entitlements under their written employment contracts with ALPS Entities.
- (e) No ALPS Entity is currently, and has not been, a party to any Collective Agreement. No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Employees including by way of certification, interim certification, voluntary recognition, related employer or successor employer rights, or, to the Vendors' Knowledge, has applied or threatened to apply to be certified as the bargaining agent of any of the Employees.
- (f) Schedule 3.23(f) of the Disclosure Schedules lists: (i) all Persons who are currently performing services for ALPS Entities as Independent Contractors under a Contract; and (ii) the current rate of compensation and total fees paid to such Person during the last 12-months period.
- (g) In the two years preceding the date of this Agreement, no notice in writing has been received by any ALPS Entity of any written complaint filed by any of its Employees or former employees against any ALPS Entity or any current or former director or officer thereof or, to Vendors' Knowledge, is threatened or pending, claiming or alleging that any ALPS Entity has violated any Laws applicable to the employee or human rights or of any complaints or Actions of any kind involving any ALPS Entity or any of the Employees before any Governmental Authority, including a labour relations board, tribunal or commission.

- (h) No Employee has advised any ALPS Entity or the Vendors that he or she will resign or retire or cease to provide work or services as a result of the closing of the transactions contemplated by this Agreement.
- (i) There is no notice of assessment, provisional assessment, reassessment, supplementary assessment, penalty assessment or increased assessment which an ALPS Entity has received before the date of this Agreement during the past two years from any workplace safety and insurance or workers' compensation board or similar Governmental Authority in any jurisdiction where the Business is carried on that remain unpaid.
- (j) All inspection reports received by ALPS Entities in the past two years under the Occupational Health and Safety Acts have been made available to Purchaser. There are no outstanding Governmental Orders nor any pending charges made under any Occupational Health and Safety Acts relating to ALPS Entities or the Business and there have been no fatal or critical accidents within the last two years that might reasonably be expected to lead to charges involving an ALPS Entity under the Occupational Health and Safety Acts. Each ALPS Entity has complied with all Governmental Orders issued under the Occupational Health and Safety Acts in all respects.
- (k) Each Independent Contractor has been properly classified as an independent contractor and no ALPS Entity has received any notice in writing or any oral notice from any Governmental Authority disputing such classification.

3.24 Taxes.

- (a) Each ALPS Entity has duly and timely filed all of its Tax Returns with all appropriate Governmental Authorities. Each such Tax Return was true, correct and complete in all material respects. All Taxes due and payable by ALPS Entities for periods (or portions thereof) ending on or before the Closing Date (whether or not shown due on any Tax Returns and whether or not assessed or reassessed by the appropriate Governmental Authority) have been paid or provisions have been made in the Financial Statements.
- (b) No Governmental Authority of a jurisdiction in which an ALPS Entity has not filed a Tax Return has made any claim that such ALPS Entity is or may be subject to Tax or required to file Tax Returns by that Governmental Authority in such jurisdiction. There is no basis for a claim that an ALPS Entity is subject to Tax in a jurisdiction in which such ALPS Entity does not file Tax Returns.
- (c) There are no matters under audit or appeal with any Governmental Authority relating to Taxes of any ALPS Entity.
- (d) True copies of all Tax Returns prepared and filed by each ALPS Entity during the past two years, together with any notices of assessment of each ALPS Entity during the past two years, have been made available to Purchaser on or before the date of this Agreement.
- (e) Adequate provision has been made in accordance with IFRS in the Books and Records for all Taxes payable in respect of the Business or the Assets.

- (f) No ALPS Entity has received any notice from any Governmental Authority that it is taking steps to assess any additional Taxes against an ALPS Entity for any period for which Tax Returns have been filed and there are no actual or, to the Vendors' Knowledge, pending audit investigations or other Actions of, or against, any ALPS Entity by any Governmental Authority relating to Taxes. No Governmental Authority has given notice of any intention to assert any deficiency or claim for additional Taxes against any ALPS Entity.
- (g) No ALPS Entity has waived any statute of limitation in respect of Taxes or agreed to any extension of time within which: (i) to file any Tax return covering any Taxes for which any ALPS Entity is or may be liable; (ii) any ALPS Entity is required to pay or remit amounts on account of Taxes; or (iii) any Governmental Authority may assess or collect Taxes for which any ALPS Entity may be liable.
- (h) Neither of the Vendors is a non-resident of Canada within the meaning of the Tax Act.
- (i) For all transactions between any Canadian ALPS Entity and any Person not resident in Canada for purposes of the Tax Act with whom such ALPS Entity was not dealing at arm's length, each such ALPS Entity has made or obtained records or documents that meet the requirements of sections 247(4)(a) to (c) of the Tax Act. There are no transactions to which section 247(2) or (3) of the Tax Act may reasonably be expected to apply.
- (j) Each ALPS Entity has duly and timely withheld or collected the proper amount of Taxes that are required by Law to be withheld or collected (including Taxes and other amounts required to be withheld by it in respect of any Person, including, in respect of any Canadian ALPS Entity, any employee, officer or director and any Person not resident in Canada for purposes of the Tax Act) and has duly and timely remitted to the appropriate Governmental Authority such Taxes and other amounts required to be remitted by such ALPS Entity.
- (k) Except for the acquisition of control that will occur by virtue of the execution of this Agreement, for purposes of the Tax Act or any other applicable Tax Law, no Person or group of Persons other than the Vendors has ever acquired control of ALPS.
- (l) No applicable Tax Law has applied or will apply to any Canadian ALPS Entity at any time up to and including the Closing Date in a manner that would give rise to incremental Tax liabilities or reduction in Tax attributes.
- (m) No ALPS Entity has acquired property or services from, or disposed of property to, a non-arm's length Person (within the meaning of the Tax Act) for consideration, the value of which is less than the fair market value of the property or services, as the case may be.
- (n) Except as disclosed in the Financial Statements, no Canadian ALPS Entity has claimed any reserves in computing its income for purposes of the Tax Act or any equivalent.
- (o) Each Canadian ALPS Entity is registered for HST/GST purposes under Part IX of the *Excise Tax Act* (Canada) under registration numbers set out in Schedule 3.24(o) of the Disclosure Schedules.

- (p) No ALPS Entity is a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement.
- (q) No Tax rulings have been requested or issued by any Tax authority with respect to any ALPS Entity.
- (r) No ALPS Entity will be required to include any item of income in, or exclude any material item or deduction from, taxable income for any taxation year or portion thereof ending after the Closing Date as a result of use of an improper method of accounting, for a taxation year ending before the Closing Date.
- (s) Schedule 3.24(s) of the Disclosure Schedules sets forth all foreign jurisdictions in which each ALPS Entity is subject to Tax, is engaged in business or has a permanent establishment.

3.25 Related Party Transactions.

- (a) Except as set out in Schedule 3.25(a) of the Disclosure Schedules, no ALPS Entity has made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, trustee or shareholder or any Person with whom an ALPS Entity is not dealing at arm's length (within the meaning of the Tax Act) or any Affiliate or spouse of any of the foregoing (each, a **"Related Person"**).
- (b) Neither of the Vendors nor any Affiliate of the Vendors (each, a **"Related Party"**) is a party to any Contract other than a management or employment agreement with any ALPS Entity and, except as set out in Schedule 3.25(b) of the Disclosure Schedules, no Related Party is indebted to any ALPS Entity and no ALPS Entity is indebted to any Related Party.
- (c) No Related Person, (i) possesses, directly or indirectly, any financial interest in, or is a director, officer or employee of, any Person which is a competitor or supplier, dealer, lessor or lessee of any ALPS Entity; or (ii) has any interest in any assets used or held for use by any ALPS Entity.

3.26 Books and Records.

The Books and Records of each ALPS Entity, all of which have been made available to Purchaser, are complete and correct in all material respects and have been maintained in accordance with sound business practices. The minute books of each ALPS Entity contain accurate and complete records of all meetings, and resolutions in writing of, the shareholders, the board of directors and any committees of the board of directors of each ALPS Entity, and no meeting, or resolution in writing, of any such shareholders, board of directors or committee has been held for which minutes or resolutions in writing have not been prepared and are not contained in such minute books. At the Closing, all the Books and Records will be in the possession of such ALPS Entity.

3.27 Information and Data Management Systems.

The information and data management systems being used by each ALPS Entity adequately meet in all material respects each ALPS Entity's information needs and the information needs of the Business as now

conducted by it. Each ALPS Entity has taken commercially reasonable action, steps and measures (whether by instruction, by contract or otherwise): (i) with the Employees permitted access to system application programs and data files utilized by the information and data management systems of each ALPS Entity in order to protect the same against unauthorized access, use, copying, modification, theft and destruction, and (ii) to protect both its information and data management systems and its data storage facilities from both physical and on-line intrusion.

3.28 Accounts.

Schedule 3.28 of the Disclosure Schedules sets out: (i) an accurate and complete list of the accounts and safety deposit boxes of each ALPS Entity, together with the following information for each such account and safety deposit box: the name of the bank, trust company or similar institution in which such account or safety deposit box is maintained, the number or designation of such account or safety deposit box, the names of all individuals authorized to draw thereon or to have access thereto, and the names of all individuals holding general or special powers of attorney from each ALPS Entity in respect thereof.

3.29 Brokers.

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from any ALPS Entity in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Vendors or any ALPS Entity.

3.30 Anti-Money Laundering and Anti-Corruption Practices.

- (a) No ALPS Entity nor any of its directors, officers, employees, agents, consultants or representatives:
 - (i) has violated, and each of the Vendors' execution and delivery of and performance of its obligations under this Agreement will not violate, any Laws related to money laundering or government guidance regarding anti-money laundering and international anti-money laundering principles or procedures of an intergovernmental group or organization and any executive order, directive or regulation under the authority of any of the foregoing, or any orders or licenses issued thereunder in each case to which either an ALPS Entity or either of the Vendors are subject in any material respect;
 - (ii) has, in the course of its actions for, or on behalf of, any ALPS Entity (A) knowingly used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (B) paid or received any bribe or otherwise unlawfully offered or provided, directly or indirectly, anything of value to (or received anything of value from) any foreign or domestic government employee or official or any other Person, (C) violated or taken any act that would violate any material provision of the *Corruption of Foreign Public Officials Act* (Canada) or other similar Laws of other jurisdictions, (D) violated or taken any act that would violate in any material respect the *Special Economic Measures Act* (Canada) (“SEMA”) or other similar Laws of other jurisdictions, or (E) violated or taken any act that would violate in any material respect the *Freezing Assets of*

Corrupt Foreign Public Officials Act (Canada) (“FACFOA”) or other similar Laws of other jurisdictions, in each case to which an ALPS Entity is subject;

- (iii) has, directly or indirectly, taken any action in material violation of any export restrictions, anti-boycott regulations, embargo regulations or other similar applicable Canadian, United States or other foreign Laws;
- (iv) is a Person identified under SEMA, FACFOA or any United Nations resolution or regulation or otherwise a target of economic sanctions under other similar applicable Canadian, United States or foreign Laws; or
- (v) to the Vendors’ Knowledge, has engaged in any business with any Person with whom, or in any country in which it is prohibited for a Person to engage under SEMA, FACFOA, any United Nations resolution or regulation or any other Law.

3.31 Full Disclosure.

No representation or warranty by either of the Vendors in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Purchaser under this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as set forth in the corresponding numbered Section of the Disclosure Schedules, Purchaser represents and warrants to the Vendors that the statements contained in this Article 4 are true and correct as of the date hereof.

4.1 Corporate Status and Authorization of Purchaser.

Purchaser is a corporation incorporated and validly existing under the Laws of the province of Alberta and has not been discontinued or dissolved under such Laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Purchaser has submitted all material notices or returns of corporate information and other filings required by Law to be submitted by it to any Governmental Authority. Purchaser has the corporate power and capacity to enter into this Agreement and the other Transaction Documents to which Purchaser is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Purchaser of this Agreement and any other Transaction Document to which Purchaser is a party, the performance by Purchaser of its obligations hereunder and thereunder and the consummation by Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by the Vendors) this Agreement constitutes a legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

4.2 No Conflicts; Consents.

The execution, delivery and performance by Purchaser of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the Articles, by-laws, unanimous shareholder agreements or other constating documents of Purchaser; (b) conflict with or result in a violation or breach of any provision of any Law, the CSE, any applicable Canadian securities Laws or Governmental Order applicable to Purchaser; or (c) require the consent, notice or other action by any Person under any Contract to which Purchaser is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority or the CSE is required by or with respect to Purchaser in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, other than which will be obtained or made, as applicable, prior to the Closing Date.

4.3 Capitalization

- (a) The authorized and issued capital of Purchaser, is as set forth in Section 4.3(a) of the Disclosure Schedules (the “**Existing AUSA Shares**”). All of the Existing AUSA Shares have been duly authorized, are validly issued, fully paid and non-assessable.
- (b) All of the Existing AUSA Shares were issued in compliance with applicable Laws. None of the Existing AUSA Shares were issued in violation of any agreement, arrangement or commitment to which Purchaser is a party or are subject to or in violation of any preemptive or similar rights of any Person.
- (c) Except as set forth in Section 4.3(c) of the Disclosure Schedules, there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares in the capital of Purchaser or obligating Purchaser to issue or sell any shares of, or any other interest in, Purchaser. Purchaser does not have any outstanding and has not authorized any share appreciation, phantom share, profit participation or similar rights. Except as set forth in Section 4.3(c) of the Disclosure Schedules, there are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements or other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Existing AUSA Shares.
- (d) The AUSA Shares when delivered under this Agreement shall have been duly and validly authorized and issued as fully paid, and non-assessable shares in accordance with applicable Laws and free and clear of all Encumbrances. The issuance of the AUSA Shares are not subject to any pre-emptive right, right of first refusal or similar right. The issuance of the AUSA Shares will be exempt from the registration and prospectus requirements of applicable Canadian securities Laws.
- (e) Purchaser is a reporting issuer all provinces and territories of Canada and is not in default in any material respect in the performance of its obligations under the securities Laws of such jurisdictions and is in compliance, in all material respects, with the applicable rules, policies and regulations of the CSE. Purchaser has taken no action designed to, or likely

to have the effect of, revoking its reporting issuer status in any jurisdiction where it has such status nor has Purchaser received any notification that any Canadian securities regulatory authority is contemplating revoking Purchaser's reporting issuer status.

- (f) No order, agreement or memorandum of understanding that contemplates ceasing or suspending trading of the securities of Purchaser is outstanding or in effect and no proceedings or agreement for this purpose have been instituted or, to Purchaser's Knowledge, are pending, contemplated or threatened.
- (g) Purchaser has prepared and filed all material documents required to be filed by it with applicable governmental authorities under applicable securities Laws. All of the contents of the Purchaser Disclosure Record were, as of their respective dates, in compliance in all material respects with applicable securities Laws and did not, as of their respective dates, contain a misrepresentation. To Purchaser's Knowledge, the Purchaser Disclosure Record correctly disclose the names of all persons who beneficially own or exercise control or discretion over 10% or more of the outstanding common shares of Purchaser. Purchaser is up-to-date in all forms, reports, statements and documents, including financial statements and management's discussion and analysis, required to be filed by Purchaser under applicable securities Laws and the rules and policies of the CSE. Purchaser has not filed any confidential material change report that at the date hereof remains confidential.

4.4 No Subsidiaries.

Except as set forth in Schedule 4.4 of the Disclosure Schedules (the "**Purchaser Subsidiaries**"), the Purchaser Group does not own, or have any interest in any shares or have securities, or another ownership interest, in any other Person.

4.5 Financial Statements

- (a) The Purchaser Financial Statements have been prepared in accordance with IFRS applied on a consistent basis throughout the period involved.
- (b) The Purchaser Financial Statements: (i) are based on the Books and Records of Purchaser; and (ii) fairly, completely and accurately present in all material respects the assets, Liabilities and financial position of Purchaser as of the respective dates they were prepared and the results of the operations of Purchaser for the periods covered thereby.
- (c) The Purchaser Group maintains a standard system of accounting established and administered in accordance with IFRS.

4.6 Undisclosed Liabilities.

Except as set forth in Schedule 4.6 of the Disclosure Schedules, the Purchaser Group has no Liabilities, except: (a) those that are adequately reflected or reserved against in the Purchaser Balance Sheet, a copy of which is included in the Disclosure Schedules, as of the Purchaser Balance Sheet Date; and (b) those that have been incurred in the Ordinary Course consistent with past practice since the Purchaser Balance Sheet Date and that are not, individually or in the aggregate, material in amount.

4.7 Brokers.

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

4.8 Legal Proceedings.

Except as set forth in Schedule 4.8 of the Disclosure Schedules, there are no Actions pending or, to Purchaser's Knowledge, threatened against or by Purchaser or any Affiliate of Purchaser that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred, or circumstances exist, that may give rise or serve as a basis for any such Action.

4.9 Compliance with Laws.

- (a) Purchaser and the Purchaser Subsidiaries have complied in all material respects and is now complying with all Laws applicable to it or its Business or assets in all material respects.
- (b) All Permits required for the Purchaser Group to conduct its business have been obtained by it and are valid and in full force and effect in all material respects. All fees and charges with respect to such Permits as of the date hereof have been paid in full. Section 4.9(b) of the Disclosure Schedules lists all current Permits issued to the Purchaser Group, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Section 4.9(b) of the Disclosure Schedules.
- (c) The issuance of the AUSA Shares on Closing will be in compliance in all material respects with all policies of the CSE and all applicable Canadian securities laws.

4.10 Books and Records.

The Books and Records of Purchaser are complete and correct in all material respects and have been maintained in accordance with sound business practices. The minute books of Purchaser contain accurate and complete records of all meetings, and resolutions in writing of, the shareholders, the board of directors and any committees of the board of directors of Purchaser, and no meeting, or resolution in writing, of any such shareholders, board of directors or committee has been held for which minutes or resolutions in writing have not been prepared and are not contained in such minute books. At the Closing, all of the Books and Records will be in the possession of Purchaser.

4.11 Anti-Money Laundering and Anti-Corruption Practices.

- (a) To Purchaser's Knowledge, neither Purchaser nor any of their directors, officers or employees or agents, consultants or representatives:
 - (i) has violated, and Purchaser's execution and delivery of and performance of its obligations under this Agreement will not violate, any Laws related to money

laundering or government guidance regarding anti-money laundering and international anti-money laundering principles or procedures of an intergovernmental group or organization and any executive order, directive or regulation under the authority of any of the foregoing, or any orders or licenses issued thereunder in each case to which Purchaser is subject in any material respect;

- (ii) has, in the course of its actions for, or on behalf of the Purchaser Group (A) knowingly used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (B) paid or received any bribe or otherwise unlawfully offered or provided, directly or indirectly, anything of value to (or received anything of value from) any foreign or domestic government employee or official or any other Person, (C) violated or taken any act that would violate any material provision of the CFPOA or other similar Laws of other jurisdictions, or (D) violated or taken any act that would violate in any material respect the SEMA or other similar Laws of other jurisdictions, or (E) violated or taken any act that would violate in any material respect the FACFOA or other similar Laws of other jurisdictions, in each case to which Purchaser is subject;
- (iii) has, directly or indirectly, taken any action in material violation of any export restrictions, anti-boycott regulations, embargo regulations or other similar applicable Canadian, United States or other foreign Laws;
- (iv) is a Person identified under SEMA, FACFOA or any United Nations resolution or regulation or otherwise a target of economic sanctions under other similar applicable Canadian, United States or foreign Laws; or
- (v) to Purchaser's Knowledge, has engaged in any business with any Person with whom, or in any country in which it is prohibited for a Person to engage under SEMA, FACFOA, any United Nations resolution or regulation or any other Law.

4.12 Full Disclosure.

No representation or warranty by Purchaser in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Vendors under this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE 5 **COVENANTS**

5.1 Conduct of Business Before the Closing.

From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Purchaser (which consent shall not be unreasonably withheld or delayed), each of the Vendors shall, and shall cause each ALPS Entity to: (i) conduct the Business of ALPS Entities in the Ordinary Course; and (ii) use commercially reasonable efforts to maintain and preserve intact the current

organization and Business of ALPS Entities and to preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with ALPS Entities. Without limiting the foregoing, from the date hereof until the Closing Date, the Vendors shall, unless required in the Ordinary Course, cause each ALPS Entity to:

- (a) preserve and maintain all its Permits;
- (b) pay its debts, Taxes and other obligations when due;
- (c) maintain the Assets owned, operated or used by such ALPS Entity in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;
- (d) continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;
- (e) reasonably defend and protect its Assets from infringement or usurpation;
- (f) perform all of its material obligations under all Contracts relating to or affecting its Assets or Business;
- (g) maintain the Books and Records in accordance with past practice;
- (h) not make any loans, advances or capital contributions to any Person;
- (i) not (A) make, change or revoke, or permit such ALPS Entity to make, change or revoke, any Tax election, or file or cause to be filed an amended Tax Return unless required by Law or (B) make, or permit such ALPS Entity to make, any change in any Tax or accounting methods or policies or systems of internal accounting controls, except to conform to changes in Laws related to Taxes or accounting requirements;
- (j) not (A) terminate (otherwise than for cause) the employment or services of any director, officer or manager or (B) grant any severance or termination pay to any director, officer or manager or any other employee except in the case of (A) as required under any existing Contract or Benefit Plan or as required by Law;
- (k) comply in all material respects with all applicable Laws; and
- (l) not take or permit any action that would cause any of the changes, events or conditions described in Section 3.9 to occur.

5.2 Conduct of Business of Purchaser

From the date hereof until the Closing, except as otherwise provided in this Agreement, consented to in writing by the Vendors (which consent shall not be unreasonably withheld or delayed) or required by applicable Law, Purchaser:

- (a) shall conduct its business in the Ordinary Course and use commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships;

- (b) shall not, directly or indirectly, unless required in the Ordinary Course:
 - (i) split, combine, reclassify or amend the terms of the AUSA Shares;
 - (ii) amend its articles or other constating documents in any manner that would have a material and adverse impact on the value of the AUSA Shares;
 - (iii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Purchaser;
 - (iv) sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer or agree to sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer any material assets of Purchaser or any of its subsidiaries or any interest in any assets of Purchaser or any of its subsidiaries, other than any such action solely between or among Purchaser and its subsidiaries or between or among subsidiaries of Purchaser;
 - (v) materially change the business carried on by Purchaser and its subsidiaries, taken as a whole;
 - (vi) issue (other than on exercise or conversion of currently outstanding securities of Purchaser), grant, sell or pledge or agree to issue, grant, sell or pledge any AUSA Shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, AUSA Shares; or
 - (vii) authorize, agree, resolve or otherwise commit to do any of the foregoing.

5.3 Access to Information.

From the date hereof until the Closing, the Vendors shall, and shall cause each ALPS Entity to: (a) afford Purchaser and its Representatives reasonable access to and the right to inspect all of the Assets, premises, Books and Records, Contracts and other documents and data related to ALPS Entities; (b) furnish Purchaser and its Representatives with such financial, operating and other data and information related to ALPS Entities as Purchaser or any of its Representatives may reasonably request; and (c) instruct the Representatives of each of the Vendors and ALPS Entities to cooperate with Purchaser in its investigation of ALPS Entities. Any investigation under this Section 5.2 shall be conducted in such manner as not to interfere unreasonably with the conduct of the Business of ALPS Entities. No investigation by Purchaser or other information received by Purchaser other than the information set forth in the Disclosure Schedules shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by either of the Vendors in this Agreement.

5.4 No Solicitation of Other Bids

- (a) The Vendors shall not, and shall not authorize or permit any of their Affiliates (including ALPS Entities) or any of its or their Representatives to, directly or indirectly: (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements

or other instruments (whether or not binding) regarding an Acquisition Proposal. The Vendors shall immediately cease and cause to be terminated, and shall cause their Affiliates (including ALPS Entities) and all its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Person conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, “**Acquisition Proposal**” shall mean any inquiry, proposal or offer from any Person (other than Purchaser or any of its Affiliates) concerning: (i) a merger, amalgamation, arrangement, liquidation, recapitalization, share exchange or other business combination transaction involving any ALPS Entity; (ii) the issuance or acquisition of shares in the capital, or other equity securities, of any ALPS Entity; or (iii) the sale, lease, exchange or other disposition of substantially all or any significant portion of any ALPS Entity's Assets.

- (b) In addition to the other obligations under this Section 5.4, the Vendors shall promptly (and in any event within three Business Days after receipt thereof by the Vendors or their Representatives) advise Purchaser orally and in writing of any: (i) Acquisition Proposal, any request for information with respect to any Acquisition Proposal or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal; (ii) the material terms and conditions of such request, Acquisition Proposal or inquiry; and (iii) the identity of the Person making the same.
- (c) The Vendors agree that the rights and remedies for non-compliance with this Section 5.4 shall include having such provision specifically enforced by any court of competent equitable jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Purchaser and that monetary damages would not provide an adequate remedy for Purchaser.

5.5 Notice of Certain Events

- (a) From the date hereof until the Closing, the Vendors shall promptly notify Purchaser in writing of any:
 - (i) fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Vendors hereunder not being true and correct, or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 6.2 to be satisfied;
 - (ii) notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
 - (iii) notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and
 - (iv) Actions commenced or, to the Vendors' Knowledge, threatened against, relating to or involving or otherwise affecting either of the Vendors or any ALPS Entity that,

if pending on the date of this Agreement, would have been required to have been disclosed under Section 3.19 or that relates to the consummation of the transactions contemplated by this Agreement.

- (b) Purchaser's receipt of information under this Section 5.5 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Vendors in this Agreement (including Section 7.2 and Section 8.1(b)) and shall not be deemed to amend or supplement the Disclosure Schedules.

5.6 Resignations.

The Vendors shall deliver to Purchaser written resignations, effective as of the Closing Date, of the officers and directors of any ALPS Entity requested by Purchaser at least five Business Days before the Closing.

5.7 Confidentiality.

From and after the Closing, the Vendors and Purchaser shall, and shall cause each of their respective Affiliates to, hold, and shall use their reasonable best efforts to cause it's or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning Purchaser, the Vendors or any ALPS Entity, except to the extent that either party can show that such information: (a) is generally available to, and known by, the public through no fault of the Vendors or Purchaser, any of the Vendors' or Purchaser's Affiliates or any of their respective Representatives; or (b) is lawfully acquired by the Vendors or Purchaser, any of their respective Affiliates or any of their respective Representatives from sources that are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If the Vendors or Purchaser, any of their respective Affiliates or any of their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, the Vendors or Purchaser shall promptly notify the other party in writing and shall disclose only that portion of such information that Vendors or Purchaser are advised by their counsel(s) in writing is legally required to be disclosed; provided that the Vendors or Purchaser shall use their commercially reasonable efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

5.8 Personal Information Privacy.

Vendors and Purchaser shall at all times comply with all Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided by either party to the other, including Personal Information disclosed by ALPS Entities under this Agreement. Subject to the information collected by the CSE, Vendors and Purchaser shall only collect, use or disclose such Personal Information as contemplated in this Agreement and completing the transactions contemplated in this Agreement. Vendors and Purchaser shall safeguard all Personal Information collected in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. Vendors and Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way recreate the substance or contents of the Personal Information if the purchase of the Shares is not completed for any reason and shall return all Personal Information to the other party or destroy such Personal Information at the other party's request.

5.9 Books and Records

- (a) To facilitate the resolution of any claims made against or incurred by the Vendors before the Closing, or for any other reasonable purpose, for a period of two years after the Closing, Purchaser shall:
 - (i) retain the Books and Records (including personnel files) of ALPS Entities relating to periods before the Closing in a manner reasonably consistent with the prior practices of ALPS Entities; and
 - (ii) upon reasonable notice, afford the Representatives of the Vendors reasonable access (including the right to make, at the Vendors' expense, photocopies), during normal business hours, to the Books and Records.
- (b) To facilitate the resolution of any claims made by or against or incurred by an ALPS Entity after the Closing, or for any other reasonable purpose, for a period of two years after the Closing, the Vendors shall:
 - (i) retain the Books and Records (including personnel files) of the Vendors which relate to ALPS Entities and their operations for periods before the Closing; and
 - (ii) upon reasonable notice, afford the Representatives of Purchaser or ALPS Entities reasonable access (including the right to make, at Purchaser's expense, photocopies), during normal business hours, to the Books and Records.
- (c) Neither Purchaser nor the Vendors shall be obligated to provide the other party with access to any Books or Records (including personnel files) under this Section 5.9 where such access would violate any Law.

5.10 Benefit Plans and Employees

- (a) During the Interim Period, the Vendors will continue to provide the Employees with the existing Benefit Plans. On Closing, the participation of the Employees in the Benefit Plans will cease and the Vendors shall, subject to this Section 5.10(a) and Section 5.10(c), cease to have any liability or obligation to ALPS Entities, the Employees or any former employees of ALPS Entities.
- (b) Purchaser agrees to provide or cause ALPS Entities to establish and provide, effective as of the Closing Date, benefit plans that contain benefit provisions that are substantially similar in the aggregate to those provided under the existing Benefit Plans immediately before the Closing Date (the “**Purchaser Benefit Plans**”). Without limiting the foregoing, any Employee's maximum benefit amount recognized under a Benefit Plan will remain unchanged and in place for the remainder of the calendar year under the comparable Purchaser Benefit Plan upon Closing. Nothing in this Section 5.10(b) prohibits Purchaser from changing any of the provisions under the Purchaser Benefit Plans at any time.

- (c) Purchaser shall not be responsible for Pre-Closing Benefit Liability or any Equity Compensation Plan Liability, and the Vendors shall indemnify Purchaser for any, and all, Pre-Closing Benefit Liability and Equity Compensation Plan Liability under Section 7.2.

5.11 Pre-Closing Tax Period and Closing Date Tax Year

- (a) On or before the statutory due date, the Vendors shall prepare in accordance with applicable Law and past practice of ALPS Entities and after providing Purchaser with a reasonable opportunity (which, in any event, shall not be fewer than 15 Business Days before the date on which such Tax Returns are required to be filed) to review and, in the case of any Tax Returns upon receipt of Purchaser's approval, not to be unreasonably withheld, conditional or delayed, file, on behalf of and in the name of ALPS Entities, all income Tax Returns of ALPS Entities required by Law to be filed for any Pre-Closing Tax Period of ALPS Entities that are not required to be filed on or before the Closing Date.
- (b) On or before the statutory due date, Purchaser shall prepare in accordance with applicable Law and past practice of ALPS Entities and after providing the Vendors with a reasonable opportunity (which, in any event, shall not be fewer than 15 Business Days before the date on which such Tax Returns are required to be filed) to review and, in the case of any Tax Returns upon receipt of each of the Vendors' approval, file, on behalf of and in the name of ALPS Entities, all income Tax Returns of ALPS Entities required by Law to be filed for the taxation year of ALPS Entities that includes the Closing Date (the “**Closing Date Tax Year**”).
- (c) The parties will inform each other of, and cooperate with each other in respect of, any audit inquiries with respect to any Tax Return involving ALPS Entities in respect of any Pre-Closing Tax Period or of any Tax Return required to be filed under the Tax Act for the Closing Date Tax Year.
- (d) If Purchaser or any ALPS Entity receives an assessment or reassessment (each, an “**Assessment**”) from any Governmental Authority in respect of any Tax Return in respect of any Pre-Closing Tax Period or any Tax Return filed under the Tax Act for the Closing Date Tax Year, Purchaser shall deliver or cause to be delivered to the Vendors a copy of the Assessment within 30 days of receiving the Assessment, provided that failure to do so shall not affect the indemnification provided hereunder except only to the extent that the Vendors shall have been actually prejudiced as a result of such failure. The parties will cooperate in responding to or contesting any Assessment.

5.12 Closing Conditions.

During the Interim Period, each party hereto shall use its commercially reasonable efforts take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article 6.

5.13 Public Announcements.

Unless otherwise required by applicable Law or CSE requirements (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement

or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

5.14 Business Acquisition Report.

The Vendors agree to assist Purchaser after the Closing Date with the preparation and filing of a Business Acquisition Report, if deemed necessary to comply with any applicable Law or CSE requirements.

5.15 Shareholder Loan Balance.

The Purchaser agrees to cause ALPS to forthwith pay the Shareholder Loan Balance through the issuance to Lola of 1,500,000 AUSA Shares with one-half of such shares to be issued on September 8, 2021 and the balance to be issued to Lola on March 8, 2022. Notwithstanding the foregoing, any such unissued AUSA Shares shall be issued immediately prior to the consummation of a Change of Control of AUSA.

5.16 Further Assurances.

Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

ARTICLE 6 **CONDITIONS TO CLOSING**

6.1 Conditions to Obligations of All Parties.

The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to no Governmental Authority having enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following the completion thereof.

6.2 Conditions to Obligations of Purchaser.

The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Purchaser's waiver, at or before the Closing, of each of the following conditions:

- (a) Other than the representations and warranties of the Vendors set out in Sections 3.1, 3.2, 3.3, 3.4, 3.7 and 3.29, the representations and warranties of the Vendors set out in this Agreement, the other Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations

and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of the Vendors set out in Sections 3.1, 3.2, 3.3, 3.4, 3.7 and 3.29 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

- (b) The Vendors shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it before or on the Closing Date; provided that, with respect to agreements, covenants and conditions that are qualified by materiality, the Vendors shall have performed such agreements, covenants and conditions, as so qualified, in all respects.
- (c) No Action shall have been commenced against Purchaser, the Vendors or any ALPS Entity that would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority and be in effect, which restrains or prohibits any transaction contemplated hereby.
- (d) All approvals, consents and waivers that are listed in Section 6.2(d) of the Disclosure Schedule shall have been received, and executed counterparts thereof shall have been delivered to Purchaser, at or before the Closing.
- (e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.
- (f) The Transaction Documents (other than this Agreement) shall have been executed and delivered by the parties thereto and true and complete copies thereof shall have been delivered to Purchaser.
- (g) Purchaser shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Lola and by Thomas, that each of the conditions set forth in Section 6.2(a) and Section 6.2(b) has been satisfied.
- (h) Purchaser shall have received a certificate of the Secretary (or equivalent officer) of Lola certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Lola authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.
- (i) Purchaser shall have received a certificate of the Secretary (or equivalent officer) of Lola certifying the names and signatures of the officers of Lola authorized to sign this

Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

- (j) Purchaser shall have received resignations of the directors and officers of ALPS Entities under Section 5.6, if applicable.
- (k) The Vendors shall have delivered to Purchaser a certificate of status (or its equivalent) for each ALPS Entity.
- (l) Each of the Vendors shall have delivered to Purchaser a certificate stating that each of the Vendors are not a non-resident of Canada within the meaning of the Tax Act.
- (m) The Vendors shall have delivered, or caused to be delivered, to Purchaser share certificates representing the Purchased Shares, free and clear of Encumbrances, duly endorsed in blank or accompanied by forms of share transfers or other instruments of transfer duly executed in blank.
- (n) The Vendors shall have delivered a receipt and acknowledgement confirming that the Shareholder Loans owing to the Vendors on the Closing are \$750,000 (the "**Shareholder Loan Balance**").
- (o) The Vendors shall have delivered to Purchaser such other documents or instruments as Purchaser reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

6.3 Conditions to Obligations of the Vendors.

The obligations of the Vendors to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or each of the Vendors' waiver, at or before the Closing, of each of the following conditions:

- (a) Other than the representations and warranties of Purchaser set out in Section 4.1 and Section 4.7, the representations and warranties of Purchaser set out in this Agreement, the other Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of Purchaser set out in Section 4.1 and Section 4.7 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date.
- (b) Purchaser shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it before or on the Closing

Date; provided that, with respect to agreements, covenants and conditions that are qualified by materiality, Purchaser shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

- (c) No action shall have been commenced against Purchaser, Vendors or any ALPS Entity that would prevent the Closing.
- (d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.
- (e) The Transaction Documents (other than this Agreement) shall have been executed and delivered by the parties thereto and true and complete copies thereof shall have been delivered to the Vendors.
- (f) The Vendors shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Purchaser, that each of the conditions set forth in Section 6.3(a) and Section 6.3(b) has been satisfied.
- (g) The Vendors shall have received a certificate of the Secretary (or equivalent officer) of Purchaser certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Purchaser authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.
- (h) The Vendors shall have received a certificate of the Secretary (or equivalent officer) of Purchaser certifying the names and signatures of the officers of Purchaser authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.
- (i) Purchaser shall have paid to the Vendors the Closing Cash Payment and Closing Cash/Share Payment.
- (j) Purchaser shall have delivered to the Vendors such other documents or instruments as the Vendors reasonably request and are reasonably necessary to consummate the transactions contemplated by this Agreement.

ARTICLE 7

INDEMNIFICATION

7.1 Survival.

Subject to the limitations and other provisions of this Agreement, the representations and warranties set out herein shall survive the Closing and shall remain in full force and effect until the date that is 18 months from the Closing Date; provided that the representations and warranties in: (a) Sections 3.1, 3.3, 3.4, 3.29, 4.1, 4.3 and 4.7 shall survive for a period of 10 years; and (b) Sections 3.21, 3.22 and 3.24 shall survive

for the full period of the applicable limitation period (giving effect to any waiver or extension thereof) plus 60 days. All covenants and agreements of the parties set out herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party before the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved or the expiry of the limitation period under applicable Law, whichever is sooner.

7.2 Indemnification by the Vendors.

Subject to the other terms and conditions of this Article 7, the Vendors shall indemnify and defend each of Purchaser and its Affiliates (including ALPS Entities) and their respective Representatives (collectively, the “**Purchaser Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Purchaser Indemnitees based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of the Vendors set out in this Agreement or in any certificate or instrument delivered by or on behalf of the Vendors under this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Vendors under this Agreement.

This Agreement does not establish any joint liabilities between the Vendors. All obligations and liabilities of Vendors under this Agreement are several, and not joint with the other Vendors. For any claim under this Agreement, each Vendor shall be liable for the percentage of the claimed amount corresponding to the percentage of his/its participation in ALPS at the time of signing of this Agreement (being 50% for Lola and 50% for Thomas).

With respect to any infringements of the representations and warranties set forth in Section 3.1, Section 3.4(a) and Section 3.6 of this Agreement, only the Vendor who actually infringed such obligation shall be liable. For the avoidance of doubt, neither Vendor shall become liable for claims for specific performance or any other claims with respect to the Shares held by the other Vendor or for misrepresentation and breach of warranty set forth in Section 3.1, Section 3.4(a) and Section 3.6 by the other Vendor.

7.3 Indemnification by Purchaser.

Subject to the other terms and conditions of this Article 7, Purchaser shall indemnify and defend each of the Vendors and their Affiliates and their respective Representatives (collectively, the “**Vendors Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Vendors Indemnitees based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Purchaser contained in this Agreement or in any certificate or instrument delivered by or on behalf of Purchaser under this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Purchaser under this Agreement.

7.4 Certain Limitations.

The indemnification provided for in Section 7.2 and Section 7.3 shall be subject to the following limitations:

- (a) The Vendors shall not be liable to the Purchaser Indemnitees for indemnification under Section 7.2(a) until the aggregate amount of all Losses in respect of indemnification under Section 7.2(a) exceeds \$25,000 of the Purchase Price (the “**Basket**”), in which event the Vendors shall be required to pay or be liable for all such Losses from the first dollar. The aggregate amount of all Losses for which the Vendors shall be liable under Section 7.2(a) shall not exceed the Indemnity Holdback (the “**Cap**”).
- (b) Purchaser shall not be liable to the Vendor Indemnitees for indemnification under Section 7.3 until the aggregate amount of all Losses in respect of indemnification under Section 7.3 exceeds the Basket, in which event Purchaser shall be required to pay or be liable for all such Losses from the first dollar.
- (c) Notwithstanding the foregoing, the limitations set forth in Section 7.4(a) and Section 7.4(b) shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any representation or warranty in Sections 3.1, 3.3, 3.4, 3.21, 3.22, 3.24, 3.29, 4.1 and 4.7. All matters and information which have been Fairly Disclosed shall operate as an exclusion of, or a limitation to, Vendors’ representations and warranties.
- (d) For purposes of this Article 7, any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

7.5 General Exclusions.

The parties hereto shall not be liable in respect of any claim if and to the extent such claim has arisen as a result of, is attributable to, or is increased by:

- (a) Purchaser or ALPS Entities failed to use commercially reasonable efforts after the Closing to minimize the damage;

- (b) Purchaser or ALPS Entities have received according to applicable Law any indemnity, reimbursement of costs and expenses or compensation for damages for the matter on which the asserted claim is based, from third parties, including but not limited to an insurance company;
- (c) a reserve, provision or depreciation has been set up in the Financial Statements for this purpose;
- (d) the event, occurrence, fact, condition, change or circumstances underlying the claim have been Fairly Disclosed;
- (e) any voluntary act or omission after Closing by Purchaser or any person whose act or omission may be attributed to Purchaser;
- (f) any voluntary act or omission prior to Closing by the Vendors at the request or with the written consent of Purchaser or pursuant to this Agreement;
- (g) the fulfillment by ALPS Entities of their legal or contractual obligations;
- (h) any change after Closing in Tax or accounting policies, bases, practices, or methods applied in preparing any accounts or valuing any assets or liabilities of ALPS Entities;
- (i) in relation to Tax, the relevant Tax liability concerned having been settled or discharged and disclosed to the other party hereto on or before the Closing Date; or
- (j) any change or enactment of Law coming into effect after the date of this Agreement (whether or not taking effect retroactively) or any change in the interpretation of existing Law since that date, or the amendment of any administrative practice or concession by any Tax authority occurring after the date of this Agreement.

7.6 Indemnification Procedures.

The party making a claim under this Article 7 is referred to as the “**Indemnified Party**”, and the party against whom such claims are asserted under this Article 7 is referred to as the “**Indemnifying Party**”.

- (a) **Third-Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a “**Third-Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, include copies of all material written evidence thereof and indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the

Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defence of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defence; provided that, if the Indemnifying Party is either of the Vendors, such Indemnifying Party shall not have the right to defend or direct the defence of any such Third Party Claim that: (i) is asserted directly by or on behalf of a Person that is a supplier or customer of ALPS Entities; or (ii) seeks an injunction or other equitable relief against the Indemnified Party. If the Indemnifying Party assumes the defence of any Third Party Claim, subject to Section 7.6(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counter-claims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defence of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defence thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party; provided that, if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defences available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party, or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement or fails to diligently prosecute the defence of such Third Party Claim, the Indemnified Party may, subject to Section 7.6(b), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. The Vendors and Purchaser shall cooperate with each other in all reasonable respects in connection with the defence of any Third Party Claim, including making available (subject to the provisions of Section 5.7) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defence of such Third Party Claim.

- (b) **Settlement of Third-Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into a settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 7.6(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within 10 days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and, in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent

to such firm offer and also fails to assume the defence of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defence under Section 7.6(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

- (c) **Direct Claims.** Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (each, a “**Direct Claim**”) shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim, and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to any ALPS Entity's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

7.7 Payments.

Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable under this Article 7, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds; provided however, if the Indemnifying Party is either of the Vendors and the Indemnified Party is Purchaser, such Loss shall first be satisfied by Purchaser subtracting the amount of such Loss from the Indemnity Holdback amount (unless the Indemnity Holdback has been released), with any such remaining Loss amount to be paid by the Vendors to Purchaser in accordance with this Section 7.7. The parties agree that, if the Indemnifying Party does not make full payment of any such obligations within such 15-Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to but excluding the date such payment has been made at a rate per annum equal to the prime rate plus 3%. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed without compounding. For the purposes of this provision the “prime rate” shall mean the annual rate of interest charged from time to time by the Main Branch in Toronto of The Toronto-Dominion Bank (the “**Bank**”) for demand loans in Canadian dollars to its most creditworthy commercial borrowers.

7.8 Tax Treatment of Indemnification Payments.

All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

7.9 Effect of Investigation.

The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 6.2 or Section 6.3, as the case may be.

7.10 Exclusive Remedies.

Subject to Section 5.8 and Section 9.11, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or wilful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be under the indemnification provisions set forth in this Article 7. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except under the indemnification provisions set forth in this Article 7. Nothing in this Section 7.10 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or wilful misconduct.

ARTICLE 8 **TERMINATION**

8.1 Termination.

This Agreement may be terminated at any time before the Closing:

- (a) By the mutual written consent of the Vendors and Purchaser.
- (b) By Purchaser by written notice to the Vendors if:
 - (i) Purchaser is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Vendors under this Agreement that would give rise to the failure of any of the conditions specified in Article 6, and such breach, inaccuracy or failure has not been cured by the Vendors within 10 days of the Vendors' receipt of written notice of such breach from Purchaser; or

- (ii) any of the conditions set forth in Section 6.1 or Section 6.2 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by the Outside Date, unless such failure shall be due to the failure of Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing Date.
- (c) By the Vendors by written notice to Purchaser if:
 - (i) The Vendors are not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Purchaser under this Agreement that would give rise to the failure of any of the conditions specified in Article 6, and such breach, inaccuracy or failure has not been cured by Purchaser within 10 days of Purchaser's receipt of written notice of such breach from the Vendors; or
 - (ii) any of the conditions set forth in Section 6.1 or Section 6.3 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by the Outside Date, unless such failure shall be due to the failure of the Vendors to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing Date.
- (d) By Purchaser or the Vendors if:
 - (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or
 - (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

8.2 Effect of Termination.

In the event of the termination of this Agreement in accordance with this Article 8, this Agreement shall forthwith have no further force or effect and there shall be no liability on the part of any party hereto except:

- (a) as set forth in Section 5.7, this Article 8 and Article 9; and
- (b) that nothing herein shall relieve any party hereto from liability for any wilful breach of any provision hereof.

ARTICLE 9 MISCELLANEOUS

9.1 Expenses.

Except as otherwise expressly provided herein, all costs and expenses, including fees, disbursements and charges of counsel, financial advisors and accountants, incurred in connection with this Agreement and

the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.2 Notices.

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the 3rd day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.2):

If to Lola:

[REDACTED]
[REDACTED]
Email: [REDACTED]
Attention: Terry Booth, President

If to Thomas:

[REDACTED]
[REDACTED]
[REDACTED]
Email: [REDACTED]
Attention: Thomas Larssen

with a copy to:

McMillan LLP
1500-1055 West Georgia Street
Vancouver, British Columbia, Canada
V6E 4N7
Email: desmond.balakrishnan@mcmillan.ca
Attention: Desmond Balakrishnan

If to Purchaser:

376 Warm Springs Road
Suite 190
Las Vegas, Nevada
89119
Email: jon@ausa-corp.com
Attention: Chief Financial Officer

with a copy to: Fogler, Rubinoff LLP
Suite 3000, 77 King Street West
Toronto, Ontario, Canada
M5K 1G8
Email: eroblin@foglers.com
Attention: Eric Roblin

9.3 Interpretation.

For purposes of this Agreement: (a) the words “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”; (b) the word “**or**” is not exclusive; and (c) the words “**this Agreement**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereto**” and “**hereunder**” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

9.4 Headings.

The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

9.5 Severability.

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

9.6 Entire Agreement.

This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

9.7 Successors and Assigns.

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided that, before the Closing Date, Purchaser may, without the prior written consent of the Vendors, assign all or any portion of its rights under this Agreement to one or more of its direct or indirect wholly owned subsidiaries. No assignment shall relieve the assigning party of any of its obligations hereunder.

9.8 No Third-Party Beneficiaries.

Except as provided in Article 7 this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under, or by reason of, this Agreement.

9.9 Amendment and Modification; Waiver.

This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

9.10 Governing Law; Forum Selection; Choice of Language

- (a) This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the federal Laws of Canada applicable therein.
- (b) Any Action arising out of or based upon this Agreement or the transactions contemplated hereby may be brought in the courts of the Province of Alberta, and each party irrevocably submits and agrees to attorn to the exclusive jurisdiction of that court in any such Action. The parties irrevocably and unconditionally waive any objection to the venue of any Action or proceeding in that court and irrevocably waive and agree not to plead or claim in that court that such Action has been brought in an inconvenient forum.

9.11 Specific Performance.

The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

9.12 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

LOLA VENTURES INC.

Per: *(signed) "Terry Booth"*

Name: Terry Booth

Title: President

I have authority to bind the corporation

(signed) "Thomas Larssen"

THOMAS LARSEN

AUSTRALIS CAPITAL INC.

Per: *(signed) "Duke Fu"*

Name: Duke Fu

Title: Chief Executive Officer

I have authority to bind the corporation