



SUPREME COURT OF NOVA SCOTIA

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

- AND -

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
THE HALIFAX HERALD LIMITED, SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND
BRACE HOLDINGS LIMITED**

BETWEEN:

**Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.,**

Applicants

-and-

**Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited**

Respondents

**FIRST REPORT OF KSV RESTRUCTURING INC.
AS CCAA MONITOR**

March 19, 2024

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1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) issued by the Supreme Court of Nova Scotia (the “**Court**”) on March 13, 2024 (the “**Filing Date**”), The Halifax Herald Limited (“**Herald**”), Saltwire Network Inc. (“**Saltwire**”, and together with the Herald, the “**Media Companies**”), Headline Promotional Products Limited (“**Headline**”), Titan Security & Investigation Inc. (“**Titan**”), Brace Capital Limited (“**Brace Capital**”) and Brace Holdings Limited (“**Brace Holdings**”, and together with Headline, Titan and Brace Capital, the “**Non-Media Companies**”, and together the Non-Media Companies and the Media Companies, the “**Companies**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed as monitor in these proceedings (the “**Monitor**”). A copy of the Initial Order is provided as **Appendix “A”**.
2. Applications under the CCAA (the “**Initial Applications**”) were made by both the Companies and Fiera Private Debt Fund III LP, by its sole general partner Fiera Private Debt Fund GP Inc. (“**Fund III**”) and Fiera Private Debt Fund V LP, by its sole general partner Fiera Private Debt Fund GP Inc. (“**Fund V**” and together with Fund III, “**Fiera**”). Fiera is the Media Companies’ senior secured creditor and is owed in excess of \$32 million, plus interest and costs which continue to accrue. The Non-Media Companies are guarantors of the debt owing to Fiera. The Court granted the Initial Order sought by Fiera, subject to certain amendments.
3. The Initial Order provides for (among other things) an initial stay of proceedings up to and including March 22, 2024 (the “**Stay Period**”). Fiera is bringing a motion to extend the Stay Period and for certain other relief described below which is scheduled to be heard on March 22, 2024 (the “**Comeback Hearing**”).
4. The principal purpose of these CCAA proceedings is to create a stabilized environment to enable the Companies, particularly the Media Companies, to secure financing to continue to operate while the Media Companies pursue a restructuring or sale of their businesses and assets through a Court-supervised sale and investment solicitation process (the “**SISP**”).
5. The Media Companies engaged FTI Capital Advisors-Canada ULC (“**FTI**”) pursuant to an engagement letter dated October 18, 2023 to conduct a strategic process to explore a potential sale or refinancing of their business. FTI commenced its marketing process on November 6, 2023. Fiera’s CCAA application materials contemplate that the SISP would continue during these CCAA proceedings, as discussed in further detail below and subject to Court approval.
6. Pursuant to the terms of the Initial Order, *inter alia*, the Court:
 - a) granted a stay of proceedings in favour of the Companies and their directors and officers (the “**Stay of Proceedings**”) to and including March 22, 2024;

- b) appointed KSV as Monitor;
- c) appointed David Boyd, a representative of Resolve Advisory Services Ltd. (“**Resolve**”), as Chief Restructuring Officer (the “**CRO**”);
- d) approved an interim financing credit facility (the “**Interim Financing Facility**”) in the maximum principal amount of \$500,000 made available by Fiera (in such capacity, the “**Interim Lender**”) pursuant to an interim financing term sheet dated March 13, 2024, as amended, subject to being increased and amended as part of the Comeback Hearing;
- e) granted charges on all of the Companies’ current and future assets, property and undertaking (collectively, the “**Property**”) in the following priorities:
 - i. a charge in the amount of \$300,000 in favour of the Monitor, its legal counsel and Fiera’s legal counsel to secure payment of their fees and disbursements (the “**Administration Charge**”);
 - ii. a charge in the amount of \$1.075 million in favour of the Companies’ directors and officers to secure the Companies’ indemnity obligations to such persons (the “**D&O Charge**”); and
 - iii. a charge in favour of the Interim Lender to secure the Companies’ obligations to the Interim Lender in respect of advances made under the Interim Financing Facility (the “**Interim Lender’s Charge**”).

7. Fiera has filed materials in connection with the Comeback Hearing seeking orders:

- a) amending and restating the terms and provisions of the Initial Order (as amended and restated, the “**ARIO**”), including to provide for an:
 - i. extension of the Stay of Proceedings to May 3, 2024 (the “**Stay Extension**”);
 - ii. increase in the Administration Charge from \$300,000 to \$450,000, as it is intended to cover the Monitor, its counsel, Fiera’s counsel, the Companies’ counsel and the CRO;
 - iii. increase in the amount of the authorized borrowings under the Interim Financing Facility from \$500,000 to \$1.5 million (the “**DIP Increase**”) and a corresponding increase in the Interim Lender’s Charge;
 - iv. increase in the aggregate amount that the Companies can pay to suppliers and service providers for pre-filing obligations from \$300,000 to \$500,000, subject to the prior consent of the Monitor and the CRO (“**Pre-filing Payments**”);
 - v. expansion of the CRO’s powers and authority; and
 - vi. expansion of the Monitor’s powers and authority;

- b) approving a SISP;
 - c) approving an engagement letter dated March 14, 2024 (the “**SISP Agent Agreement**”) between the Media Companies and FTI in respect of FTI’s engagement as sales agent in relation to the SISP (in such capacity, the “**SISP Agent**”) and including the payment of certain work fees and a success fee, as set out in the SISP Agent Agreement (the “**SISP Agent Compensation**”), to be secured by a charge of \$500,000 on the Property (the “**SISP Agent Charge**”), which is proposed to rank *pari passu* with the Administration Charge and in priority to the D&O Charge and the Interim Lender’s Charge (collectively, the “**CCAA Charges**”); and
 - d) declaring that Headline meets the criteria prescribed by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (the “**WEPP Regulations**”) and that Headline’s former employees are eligible to receive payments under and in accordance with the *Wage Earner Protection Program Act*, S.C. 2005, c. 47 s. 1, as amended (“**WEPPA**”).
8. KSV is filing this report (the “**First Report**”) as Monitor.
 9. The Affidavit of Russell French, a managing director of, and the head of special situations at, Fiera, affirmed March 8, 2024 in support of Fiera’s CCAA application (the “**French Affidavit**”) and Mr. French’s affidavit affirmed March 19, 2024 (the “**Second French Affidavit**”) in support of the relief being sought at the Comeback Hearing, provide, *inter alia*, background information concerning the Companies and their businesses, as well as the reasons that Fiera commenced these proceedings.
 10. Court materials filed in these proceedings, including the French Affidavit and the report to Court prepared by KSV as proposed Monitor dated March 8, 2024 (the “**Pre-filing Report**”), are available on KSV’s case website at <https://www.ksvadvisory.com/experience/case/Herald-Saltwire>. A copy of the Pre-filing Report is also provided in **Appendix “B”**, without attachments.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide the Court with an update on the Companies’ and the Monitor’s activities since the Initial Order;
 - b) report on the Company’s updated cash flow projection for the period March 9, 2024 to May 4, 2024 (the “**Revised Cash Flow Forecast**”); and
 - c) discuss and provide the Monitor’s recommendations regarding the proposed:
 - DIP Increase;
 - SISP;
 - the continued engagement of FTI by the Media Companies to act as SISP Agent pursuant to the SISP Agent Agreement;

- the SISP Agent Charge;
- WEPPA declaration;
- Pre-filing Payments increase;
- expanded role of the CRO;
- expanded authority of the Monitor; and
- extension of the Stay Period to May 3, 2024.

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Companies' unaudited financial information, financial forecasts, books and records, information available in the public domain and discussions with the Companies' management, the CRO, Fiera and its legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.3 Currency

1. All currency references in this Report are in Canadian dollars.

2.0 Background

1. The Companies are private companies incorporated under the laws of Nova Scotia.
2. The Media Companies publish *The Chronicle Herald*, the *Cape Breton Post*, *The Telegram* (St. Johns) and *The Guardian* (Charlottetown), as well as several digital publications. The Monitor understands that these are the largest media and newspaper businesses in Atlantic Canada.
3. The Media Companies recently launched a "last mile" parcel delivery business known as "Door Direct", which utilizes their existing carrier network. The Media Companies believe that this business has the potential to materially improve their viability. The Door Direct business is in its development stages.

4. Titan is a full-service security and health care services company with approximately 100 full and part-time employees.
5. Headline is a promotional products company that procures branded novelty and other products for corporate buyers. It presently employs 10 individuals. As discussed further below, the Companies intend to wind down Headline's business in the near term as it is not profitable.
6. Brace Capital is the sole shareholder of Headline and Titan. Brace Holdings is the sole shareholder of the Media Companies and Brace Capital. A copy of the Companies' corporate chart is provided as **Appendix "C"**.
7. The Herald's head office and principal address is located at 2717 Joseph Howe Drive, Halifax where it operates from leased premises. The registered office of Saltwire, Headline and Titan is located at 600-1741 Lower Water Street, Halifax.
8. Saltwire owns the following locations (the "**Real Properties**") from which it presently operates (or formerly operated), each of which is listed for sale, except Bluewater (as defined below):
 - 311 Bluewater Road, Bedford ("**Bluewater**");
 - 2 Second Street, Yarmouth;
 - 255 George Street, Sydney; and
 - 36 Austin Street, St. John's.
9. The Monitor understands that Fiera has a senior ranking mortgage on the Real Properties.
10. The Media Companies presently have approximately 390 employees and 800 independent contractors. A number of the Media Companies' employees are members of unions, as set out below:

Union	Members	Province
CWA Cape Breton Post	24	Nova Scotia
Halifax Typographical Union – Editorial	19	Nova Scotia
Halifax Typographical Union – Press	9	Nova Scotia
UFCW – St. John's Mailroom	10	Newfoundland
UFCW – Western Star	3	Newfoundland
Unifor – Telegram (Admin)	10	Newfoundland
Unifor – Editorial	13	Newfoundland
Unifor – NL Print	19	Newfoundland
Unifor – NL Print CSR	1	Newfoundland
Total	108	

11. The Media Companies have several pension and other benefit plans for their current and former employees, as follows:

Plan Name	Sponsor	Plan Type
Pension Plan for the Employees of SaltWire Network Inc.	SaltWire	Defined Contribution
The Group Retirement Savings Plan for the Employees of SaltWire Network	SaltWire	Registered Retirement Savings Plan
The Deferred Profit-Sharing Plan for the Employees of SaltWire Network	SaltWire	Deferred Profit-Sharing Plan
The Group Tax-Free Savings Account for the Employees of SaltWire Network	SaltWire	Tax-Free Savings Account
The Herald Retirement Plan	Herald	Registered Pension Plan
The Halifax Herald Limited & Associated Companies	Herald	Registered Retirement Savings Plan
The Deferred Profit-Sharing Plan for the Employees of The Halifax Herald	Herald	Deferred Profit-Sharing Plan
The Group Tax-Free Savings Account for the Employees of The Halifax Herald	Herald	Tax-Free Savings Account
The Herald Retirement Plan	Herald	Defined Benefit

3.0 Update on the Company's Activities since the Filing Date

1. Since the Filing Date, the Companies have, among other things:
 - a) continued to operate their businesses in the ordinary course with the assistance of the CRO and under the supervision of the Monitor;
 - b) drafted and disseminated a press release regarding the commencement of these CCAA proceedings;
 - c) communicated with employees, customers, advertisers and suppliers regarding the purpose of these proceedings and their intentions regarding the restructuring and continuation of the business;
 - d) reviewed the terms of the proposed SISP Agent Agreement and the SISP in consultation with FTI, the CRO, Fiera and the Monitor;
 - e) communicated with staff and unions regarding these proceedings; and
 - f) reviewed and updated the Cash Flow Forecast, with the assistance of the Monitor and the CRO.

4.0 Monitor's Activities since the Initial Order

1. Since the Filing Date, the Monitor has, among other things:
 - a) met with and corresponded regularly with the Companies' management team and the CRO regarding these proceedings;

- b) worked with the Companies' management team and the CRO regarding the Companies' stakeholder communication strategy;
- c) mailed a CCAA notice to the Companies' creditors and filed Forms 1 and 2 with the Office of Superintendent of Bankruptcy, all as required under the CCAA;
- d) posted the CCAA notice, list of creditors and other documents on the Monitor's website;
- e) arranged for the publication of the CCAA notice in *The Chronicle Herald* in accordance with the Initial Order;
- f) monitored the Companies' receipts and disbursements;
- g) engaged extensively with Chaitons LLP (the Monitor's legal counsel) and Norton Rose (Canada) LLP (Fiera's legal counsel) regarding various matters relating to these proceedings;
- h) corresponded and spoken with the CRO and Fiera (and its counsel) regarding the proposed terms of the SISP and the SISP Agent Agreement;
- i) assisted the Companies in their dealings with key suppliers;
- j) corresponded with legal counsel to certain of the Companies' unions;
- k) considered, on a preliminary basis, next steps in the Companies' litigation with Transcontinental Nova Scotia Media Group;
- l) reviewed and commented on Fiera's materials to be filed in support of the relief to be sought at the Comeback Hearing; and
- m) prepared this Report.

5.0 SISP

1. At the hearing for the Initial Applications, and in the respective materials filed in the context of the Initial Applications, Fiera and the Companies both advised that they would be seeking the approval of a SISP and the retention of FTI to conduct the SISP.
2. Since the date of the Initial Order, FTI has worked with the Monitor, the CRO and Fiera to settle the terms of the SISP Agent Agreement and the terms of the proposed SISP, both of which are subject to Court approval at the Comeback Hearing.
3. As referenced above and discussed in the Pre-filing Report, the Media Companies engaged FTI in late October 2023 to assist them in their efforts to raise capital and/or sell the Media Companies' businesses and assets (the "**Pre-filing SISP**"). The Pre-filing SISP commenced on November 8, 2023. FTI canvassed an extensive list of prospective purchasers and/or investors, facilitated due diligence through, *inter alia*, an online data room and arranged meetings between certain interested parties and management of the Media Companies. That process has not yet resulted in a transaction, although many parties have expressed, and continue to express, an interest in the opportunity. A letter of intent was received recently, and discussions are ongoing with that party.

4. Pursuant to its engagement letter with the Media Companies in the context of the Pre-filing SISP, FTI was paid a monthly work fee of \$45,000 for the first four months of its mandate and was entitled to a minimum success fee of \$750,000 on completion of a transaction.
5. Upon being appointed, the Monitor requested that FTI provide the Media Companies with a new engagement letter for the SISP to be carried out in these proceedings. A copy of FTI's proposed terms of engagement are provided in the SISP Agent Agreement, a copy of which is provided as **Appendix "D"**.

5.1 SISP Agent Agreement

1. Capitalized terms used but not otherwise defined in this section have the meanings ascribed to them in the SISP Agent Agreement.
2. The financial terms of the SISP Agent Agreement are as follows:
 - a) **Work Fee:** The SISP has two phases, as described in Section 5.3 below. FTI is to be paid work fees up to a maximum of \$250,000 per phase based on its standard hourly rates. FTI is also entitled to be reimbursed for its actual out-of-pocket expenses.
 - b) **Transaction Fee:** FTI will be entitled to a transaction fee of \$250,000 upon completion of a Transaction (as defined in the SISP Agent Agreement) for the Media Companies.
 - c) If a Transaction for the Media Companies is not completed, and Fiera decides to acquire the Media Companies, FTI will only be entitled to its Work Fee. If the SISP is terminated in accordance with its terms, FTI would only be entitled to its Work Fees to that point in time. FTI will not be entitled to a transaction fee on the sale of the Real Properties or the sale of any of the assets / businesses of the Non-Media Companies.

5.2 SISP Agent Agreement Recommendation

1. The Monitor recommends that the Court approve the SISP Agent Agreement for, among others, the following reasons:
 - a) in the Monitor's view, the fees payable to FTI are consistent with the market and commercially reasonable;
 - b) as a result of its involvement in the Pre-filing SISP, FTI has obtained significant knowledge about the Media Companies and has a working relationship with their management, Fiera, the CRO and the Monitor;
 - c) FTI has canvassed dozens of financial and strategic parties to determine their interest in this opportunity. FTI has an ongoing dialogue with certain of these parties. Introducing a new financial advisor at this stage would confuse the market;

- d) FTI is ready to continue the SISP without delay, which will save time and money, both in context of professional fees and funding for these CCAA proceedings. FTI has, among other things, prepared a confidential information memorandum and populated a data room. A new financial advisor would be required to draft new materials, resulting in delay. Accordingly, FTI's prior involvement with the Media Companies will provide for a seamless transition from the Pre-filing SISP to the SISP;
 - e) a new (reputable) financial advisor is likely to require similar fees and payment guarantees for its fees. In the Monitor's opinion, it is likely that a new (reputable) financial advisor would be at least as expensive as FTI; and
 - f) Fiera consents to FTI's engagement as the SISP Agent, including the fees payable under the SISP Agent Agreement. Based on the results to-date of the Pre-filing SISP, and the Monitor's assessment of the realizable value of the Companies' businesses and assets, Fiera appears to be the only financial stakeholder that would receive proceeds from a Transaction.
2. As referenced above, Fiera's materials propose that the SISP Agent be granted a charge in the amount of \$500,000, which would represent the maximum amount that could be payable to the SISP Agent at any one time (i.e., the Phase 2 work fee and the success fee).
 3. It is the Monitor's experience that a charge for a sales agent is standard in the context of CCAA proceedings, and, accordingly, the Monitor believes that the SISP Agent Charge is reasonable and appropriate in this case because: (i) it is a condition of FTI's engagement as SISP Agent under the SISP Agent Agreement; and (ii) it provides protection for the SISP Agent that it will be paid.

5.3 SISP

1. Capitalized terms used but not otherwise defined in this section have the meanings ascribed to them in the proposed SISP, which is attached as Schedule "B" to the proposed SISP Approval Order. Interested parties should read the entirety of the SISP. The discussion below provides a high-level summary only.
2. The SISP is intended to be a continuation of the Pre-filing SISP for the sale of or investment in the Media Companies as a going concern. Titan and Headline are not included in the SISP. Court approval of a process to market Titan for sale will be sought in due course in these proceedings. As referenced below, Headline's operations are expected to be discontinued in the near term.
3. FTI has canvassed a large number of parties, as reflected in its summary provided in **Appendix "E"**. FTI has shared the list of parties contacted by FTI to date with the Monitor. The Monitor is satisfied that a broad number of parties have been canvassed. At the return of this motion, the Monitor will have available for the Court's review a list of the parties contacted by FTI during the Pre-filing SISP if the Court wishes to see the list of contacted parties. The Monitor did not include the list in this First Report in order to preserve the integrity of the SISP.

4. The following table provides a summary of key process milestones and dates under the proposed SISP.

Milestone	Deadline
SISP Commencement Date	March 25, 2024
Phase 1 Bid Deadline	5pm AST, April 25, 2024 ("Phase 1 Bid Deadline")
Phase 2 Bid Deadline	5pm AST, May 24, 2024 ("Phase 2 Bid Deadline")
Court Approval Date	No later than June 28, 2024
Closing Date Deadline	July 31, 2024

5. As set out above, the SISP is intended to be conducted in two stages:
- a. Phase 1 of the SISP is intended to solicit indicative non-binding letters of intent ("**LOIs**") from interested parties; and
 - b. During Phase 2, any parties who submit qualifying LOIs will be permitted to participate in Phase 2 and will be required to submit binding offers on or before the Phase 2 Bid Deadline.
6. The criteria to be considered and the process for assessing qualification is set out in the SISP itself and will largely be considered by the SISP Agent and the CRO in consultation with the Monitor and, where applicable, Fiera.
7. The SISP provides that the deadlines may be extended in the discretion of the SISP Agent and the Monitor, provided that the aggregate discretionary extensions shall not exceed 15 business days. If any one milestone deadline is extended, all subsequent milestones shall be extended by the same number of days and a revised timetable shall be provided to all applicable interested parties and posted on the Monitor's website.
8. Following the Phase 1 Bid Deadline, the SISP provides that the SISP Agent and the CRO, in consultation with the Monitor, and after consultation with Fiera, shall determine the process to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received; (ii) the scope of the Property or Business to which any Qualified LOIs may relate; and (iii) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.
9. The consultative rights regarding the second phase of the SISP are similar to the above. Specifically, following the Phase 2 Bid Deadline, the SISP Agent and the CRO, in consultation with the Monitor, will assess the Phase 2 bids received and, for greater certainty, copies of all Phase 2 bids shall be provided forthwith to Fiera. The SISP Agent and the CRO, in consultation with the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be "Qualified Bids". No Phase 2 bids received shall be deemed not to be Qualified Bids without the approval of the Monitor. Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s), subject to certain rights afforded to Fiera, as discussed below in the following paragraph.

10. The SISP provides that, notwithstanding the other provisions of the SISP, the Monitor may, in consultation with the CRO, the SISP Agent and Fiera, at any time bring a motion:
 - a) to seek approval of a stalking horse agreement in respect of some or all of the Property and related bid procedures in respect of such Property or to establish further or other procedures for Phase 2; and/or
 - b) to seek approval of a transaction for any of the Real Property, provided that prior to the completion of the SISP, such Real Property sale does not impair the ability to complete a transaction for the Business; and/or
 - c) to seek approval of a transaction for certain Property of some or all of the Companies of *de minimis* value and which the Monitor, in consultation with the CRO and SISP Agent, can be sold independently of the Business.
11. The Monitor understands that certain members of the Companies' management may be considering a transaction to acquire the Media Companies' business. To address confidentiality concerns and preserve the integrity of the SISP, to the extent that any member of the Companies' management team is or may be a member of a purchaser or investor group: (i) it shall be required to advise the SISP Agent and Monitor of this potential interest; (ii) competing interested parties shall be advised of that management member's potential involvement with another bid when engaging with that person in the context of its due diligence; (iii) the management member will only be entitled to participate in the meetings with any purchaser or investor with the consent of the purchaser or investor; and (iv) the management meeting will be supervised by either or both of the SISP Agent and the Monitor. The Monitor reserves the right to implement such other procedures as it considers necessary to address any confidentiality issues that may arise during the conduct of the SISP. If a management member fails to disclose its interest or potential interest in a transaction prior to meeting with another purchaser or investor, the Monitor may consider whether it is appropriate to seek an order from the Court precluding that individual or the group with which he or she is involved from participating in the SISP.
12. The SISP also provides that the Monitor may seek approval to terminate the SISP if (i) no *bona fide* purchasers or investors, in the opinion of the Monitor, are participating in the SISP; or (ii) Fiera, acting reasonably, has advised the SISP Agent and the Monitor that none of the LOIs submitted in phase 1 will result in a transaction acceptable to Fiera, and after consideration, the SISP Agent and the Monitor concur with that view; or (iii) Fiera, acting reasonably, has advised the SISP Agent, CRO and the Monitor that none of the offers submitted in phase 2 will result in a transaction acceptable to Fiera, and after consideration, the SISP Agent, CRO and the Monitor concur with that view.

5.4 SISP Recommendation

1. The Monitor recommends that the Court approve the proposed SISP for the following reasons:
 - a) the primary purpose of the CCAA proceedings is to conduct a SISP for the Media Companies to attempt to complete a going concern transaction and to maximize value for all stakeholders;

- b) in the Monitor’s view, the SISP is commercially reasonable and will provide for a further canvassing of the market with a view to completing a going-concern, value maximizing transaction in the interest of the Companies’ stakeholders, including the opportunity to preserve employment in the local community;
- c) a two stage SISP is appropriate such that, at the completion of Phase 1, the SISP Agent, CRO and Monitor may assess the likelihood of a successful Phase 2 bid and the associated cost with continuing the SISP for Phase 2;
- d) given breadth and duration of the Pre-filing SISP, the Monitor is of the view that the duration of the SISP is sufficient to allow interested parties to complete their due diligence and submit offers on the two-stage basis set out in the SISP;
- e) the SISP deadlines can be extended, if necessary, subject to the consent of the Monitor or an order of the Court;
- f) FTI has obtained extensive knowledge about the Media Companies since being retained in the context of the Pre-filing SISP and is prepared to continue that process without delay, which should reduce the professional costs of these proceedings, as well as the amount of funding required under the Interim Financing Facility;
- g) FTI is a well-known financial advisor and has significant experience conducting sale and investment processes both within and outside of CCAA proceedings;
- h) the SISP will be supervised by the Monitor;
- i) the authority of the Monitor to bring a motion for the purposes set out in Section 5.3, paragraph 8 above provides further flexibility and efficiency to the process;
- j) Fiera consents to the terms of the proposed SISP; and
- k) in the Monitor’s view, the consultative rights provided to Fiera are reasonable, appropriate and consistent with industry practice given Fiera is the Companies’ most significant creditor, the evidence to date concerning the value of the Companies’ assets and the Media Companies relative to amount of Fiera’s debt, and its status as Interim Lender under the Interim Financing Facility.

6.0 Revised Cash Flow Forecast

1. The Companies, with the assistance of the CRO and the Monitor, prepared a revised cash flow forecast for the period March 9, 2024 to May 4, 2024 (the “**Revised Cash Flow Forecast**”). The Revised Cash Flow Forecast and the Companies’ statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached as **Appendix “F”**.
2. The changes to the Revised Cash Flow Forecast compared to the Cash Flow Forecast filed with the Pre-filing Report relate primarily to the opening cash balance, contingencies, HST remittances and professional fee line items, each of which were discussed with the Companies, the CRO and Fiera.

3. The Revised Cash Flow Forecast shows that the Companies are expected to require borrowings of up to approximately \$1.5 million under the Interim Financing Facility during the forecast period.
4. Based on the Monitor's review of the Revised Cash Flow Forecast, the cash flow assumptions appear reasonable. The Monitor's statutory report on the Revised Cash Flow Forecast is attached hereto as **Appendix "G"**.
5. The Monitor understands that the Interim Lender is prepared to fund the Companies and these proceedings in accordance with the Revised Cash Flow Forecast, subject to: (a) the Court granting the relief sought under the ARIO, including the Stay Extension and the DIP Increase; and (b) the Companies remaining compliant with the terms and conditions of the Interim Financing Term Sheet.

6.1 Interim Financing Facility Increase

1. The terms of the Interim Financing Facility were detailed in the Pre-filing Report and the French Affidavit and were amended immediately following the hearing for the Initial Order (the "**First Interim Financing Term Sheet**"). A copy of the First Interim Financing Term Sheet is attached as **Appendix "H"**.
2. Fiera and the Companies, through the CRO, have now agreed on the terms of an amended and restated interim financing term sheet dated as of March 22, 2024 (the "**Interim Financing Term Sheet**"). A copy of the Interim Financing Term Sheet is attached as **Appendix "I"**. A blackline of the First Interim Financing Term Sheet to the Interim Financing Term Sheet is attached as **Appendix "J"**. The additional terms of the Interim Financing Term Sheet are largely consistent with the original proposed terms set out in the French Affidavit and the Pre-Filing Report, with certain modifications, and have now been agreed upon by the Companies and by the CRO.
3. KSV summarized the relevant terms of the Interim Financing Term Sheet in the Pre-filing Report.
4. As noted in the CCAA application materials, it was the intention of Fiera and KSV, if appointed Monitor, to review the Cash Flow Forecast with the Companies and then for Fiera to seek an increase in the amount that may be borrowed under the Interim Financing Facility based on the Companies' borrowing requirements.
5. The Monitor is of the view that the DIP Increase is reasonable and appropriate for the following reasons:
 - a) the Revised Cash Flow Forecast projects that the Companies will require an additional financing of \$1 million to the end of the Stay Extension period;
 - b) the terms of the Interim Financing Facility are reasonable for the reasons set out in the Pre-filing Report and include the amendments discussed during the hearing for the Initial Order and certain others, including to provide for payment of the Companies' counsel's restructuring fees of up to \$100,000 incurred after March 14, 2024 for services rendered at the instruction of, or with the consent of, the CRO in connection with the CCAA proceedings; and
 - c) without the DIP Increase, the Companies are not projected to have the funding they require to operate their business and/or to fund these proceedings.

7.0 Priority of Court-Ordered Charges

1. The proposed ARIO contemplates the following CCAA Charges:
 - a) First, the Administration Charge (increased from \$300,000 to \$450,000 as it covers the Monitor, its counsel, Fiera's counsel, the Companies' counsel and the CRO), which would rank *pari passu* with the SISP Agent Charge (\$500,000), as discussed in Section 5.2 above;
 - b) Second, the Interim Lender's Charge; and
 - c) Third, the D&O Charge (\$1.075 million).
2. Section 6.2 of the Pre-filing Report provides the rationale for the amount of the D&O Charge.
3. The Monitor is supportive of the grant and priority of the CCAA Charges for the reasons provided in the Pre-filing Report and as discussed herein.

8.0 Headline

1. Headline is a promotional products company with ten employees that procures branded novelty and other products for corporate buyers.
2. The Companies advised the Monitor that they intend to wind-down Headline in the near term as:
 - a) Headline's business is relatively insignificant – in the 12 months ended December 31, 2023, it generated revenue of approximately \$823,000 and a net loss of \$303,000, based on its internal, unaudited financial statements;
 - b) Headline does not provide strategic value to the Media Companies; and
 - c) continuing to operate Headline will distract the Companies' management from working to restructure the Media Companies.
3. Headline has approximately 10 employees. The Companies and the Monitor discussed the treatment of claims by Headline's employees in the context of its wind-down and whether the provisions associated with the Wage Earner Protection Program ("WEPP") would apply to those claims. WEPP provides compensation to employees of insolvent companies for unpaid wages, vacation pay, termination pay and severance pay. In this instance, all wages and vacation pay are intended to be paid in full, so it is anticipated that WEPP would only be claimed for termination and severance pay, both of which are unsecured claims.
4. As discussed below, the Monitor supports the request that the provisions of WEPPA apply to the employees of Headline upon their termination.

8.1 WEPPA

1. Subsection 5(1) of the WEPPA provides that an individual is eligible to receive payment under the WEPP if, among other things: a) the individual's employment is ended for a reason prescribed by regulation; b) the individual is owed eligible wages by a former employer; c) the former employer is subject to proceedings under the CCAA; and d) a court determines under subsection 5(5) of the WEPPA that the criteria prescribed by regulation are met.
2. The Headline employees are currently being retained in order to complete the winddown of Headline and will be terminated thereafter.
3. Pursuant to Section 3.2 of the WEPP Regulations, the Court "may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations."
4. The Monitor understands that Headline is preparing a wind-down plan that would result in it providing all, or substantially all, of its employees with notice of termination of their employment with Headline in the near term. Certain of the employees may be required to assist to wind-down Headline's business.
5. The proposed WEPPA declaration is intended to assist Headline's terminated employees to access benefits under the WEPPA shortly after their termination and subject to the WEPP Regulations.
6. The Monitor supports the request for a declaration that Headline is a former employer for the purposes of subsection 5(5) of the WEPPA. If such declaration is made, the Monitor intends to work with Headline to identify all employees that may be eligible for payments under the WEPPA and to assist eligible employees in making submissions to Service Canada at the appropriate time.

9.0 Expanded Role of CRO

1. As discussed above, Mr. Boyd of Resolve was appointed CRO pursuant to the Initial Order.
2. Since its appointment, the Monitor has worked with the CRO to, among other things, assist the Companies to stabilize their business and to consider the terms of a SISF.
3. As set out in the Comeback Hearing, the ARIO contemplates that, in addition to the authorities provided to the CRO in the Initial Order, the CRO would be empowered to:
 - a) approve all of the Companies' receipts and disbursements;
 - b) oversee and have access to all elements of the management and operation of the business of the Companies and, without limitation, be provided advance details of all proposed sale transactions, including estimated production and transportation cost, price and payment terms;

- c) carry out all obligations of the Companies pursuant to any proposed sale and investment solicitation process or other sale or divestiture of the assets or business of the Companies including, without limitation, executing agreements, instruments, notices, directions, settlements, filings, authorizations and other documents of whatever nature on behalf of each of the Companies in connection therewith;
 - d) take steps to cause the Companies, with the approval of the Monitor, to disclaim any agreements to which any of the Companies are party in accordance with the CCAA;
 - e) execute all Advance Requests (as defined in the Interim Financing Term Sheet) on behalf of the Companies; and
 - f) cause the Companies to administer the Business or the Property as the CRO, in consultation with the Monitor, deems necessary or desirable for the purposes of completing any transaction involving the Business or the Property or for purposes of facilitating distributions to creditors of the Companies.
4. In the Monitor's view, the CRO's expanded role will further assist the Companies with their restructuring efforts and is appropriate in the circumstances. The CRO's expanded role is also required in light of the decision by Mark Lever, the Companies' president, to step down. Mr. Boyd is an experienced restructuring professional and will be able to consider the foregoing in the context of the overall objectives of these proceedings.

10.0 Expanded Monitor's Authority

1. The ARIO provides for the Monitor to be empowered to:
 - a) approve, rather than monitor, the Companies' disbursements; and
 - b) bring motions in these proceedings including, without limitation, for the approval of one or more sale or investment transactions. The Monitor's role and its ability to bring motions related to the SISF is discussed above in Section 5.3.
2. Similar to the expansion of the CRO's role, these revisions are intended to increase efficiency and flexibility in these proceedings and provide additional oversight to the Companies' business for the benefit of its stakeholders.

11.0 Pre-filing Payments

1. The Companies' materials for the Initial Order requested the ability to make payments up to an aggregate limit of \$800,000 to suppliers, contractors, subcontractors and other creditors in respect of amounts owing to them prior to the date of the Initial Order where such payments were deemed to be critical to the ongoing and uninterrupted operations of the Companies and the preservation of the Property. The amount of the Pre-Filing Payments was reduced to \$300,000 at the initial hearing, with any such payments subject to the approval of the CRO and the Monitor.

2. Following its appointment, the Monitor reviewed the assumptions underlying the Companies' initial request and is of the view that a limit of \$500,000 for Pre-filing Payments should be sufficient, subject to the Companies' or the Monitor's right to bring a motion to Court on an urgent basis should the need arise to increase this amount. Accordingly, the Monitor requests that this limit be increased on the basis set out in the ARIO.
3. The Monitor notes that these payments should be only made in exceptional circumstances and that it expects suppliers and service providers to comply with the terms of the Initial Order. The Monitor intends to bring motions compelling supply if creditors do not comply with the ARIO, unless the creditor can justify why it should receive extraordinary treatment.

12.0 Stay Extension

1. The Stay Period currently expires on March 22, 2024. Fiera is requesting an extension of the Stay Period until May 3, 2024.
2. The Monitor supports the Stay Extension for the following reasons, among others:
 - a) the Companies are acting in good faith and with due diligence to advance their restructuring;
 - b) the Stay Extension will allow for the orderly conduct of the SISP which, in the Monitor's view, is in the best interests of the Media Companies and their stakeholders and will allow the Monitor to provide an update to the Court in that regard;
 - c) the Monitor does not believe that any creditor will be materially prejudiced if the extension is granted as the Revised Cash Flow Forecast projects that the Companies should be able to meet their obligations in the ordinary course;
 - d) as of the date of this First Report, neither Fiera nor the Monitor is aware of any party opposed to the requested extension; and
 - e) subject to Court approval of the proposed increase to the Interim Financing Facility, the Companies are projected to have sufficient liquidity to fund operations and the costs of these proceedings, as reflected in the Revised Cash Flow Forecast.

1.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief set out in Section 1.1(1)(c) above.

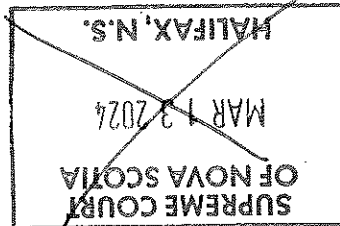
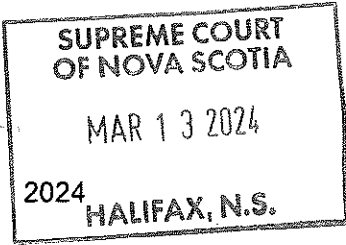
* * *

All of which is respectfully submitted,

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS CCAA MONITOR OF THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AN BRACE HOLDINGS LIMITED
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

PER: BOBBY KOFMAN, PRESIDENT

Appendix “A”



Hfx No. 531463

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC., THE HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED

BETWEEN:

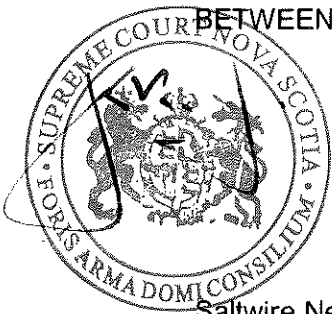
Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP, each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents



INITIAL ORDER

Before the Honourable Justice Keith in chambers:

The Applicants propose to make a compromise or arrangement under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "CCAA") in respect of Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited (collectively, the "Companies") and they applied for an initial order and, now or in the future, other relief under the CCAA as may be sought on notice of motion.

The following parties received notice of this application: see attached as Schedule "A".

The following parties, represented by the following counsel, made submissions:

Party

Counsel

Applicants

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Jennifer Stam

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-and-

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Companies

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Proposed Monitor,
KSV Restructuring Inc.

KSV Restructuring Inc.

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Mitch Vininsky

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On motion of the Applicants the following is ordered and declared:

SERVICE

1. The service of the notice of application in chambers, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.

APPLICATION

2. The Companies are affiliated debtor companies within the meaning of the CCAA and are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. The Companies shall remain in possession and control of their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further order of this Court, the Companies shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Companies, with the consent of the CRO (defined below), shall be authorized and empowered to continue to retain and employ consultants, agents, experts, accountants, counsel, and such other persons (collectively "**Assistants**") and the employees currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. The Companies may pay the following expenses whether incurred prior to or after this Order:

- a. all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable to employees who continue to provide service on or after the date of this Order ("**Active Employees**"), in each case

incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- b. all existing and future employee health, dental, life insurance, short and long term disability and related benefits (collectively, the "**Group Benefits**") payable on or after the date of this Order to Active Employees, in each case incurred in the ordinary course of business and consistent with existing policies and arrangements or such amended policies and arrangements as are necessary or desirable to deliver the existing Group Benefits;
 - c. with prior written approval of the CRO and the Monitor, the fees and disbursements for any Assistants retained or employed by the Companies in respect of these proceedings, at their reasonable standard rates and charges.
5. Except as otherwise provided to the contrary herein, with the consent of the CRO, the Companies may pay all reasonable expenses incurred by the Companies in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance including directors and officers insurance, maintenance, and security services; and
 - b. payment for goods or services actually supplied to the Companies following the date of this Order.
6. With the consent of the Monitor and the CRO, the Applicant may make payments owing to suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior

to the date of this Order where such payments are deemed by the Applicant to be necessary for the ongoing operation of the Applicant of the preservation of the Property, up to an aggregate limit of \$300,000.

7. The Companies shall remit or pay, in accordance with legal requirements or on terms as may be agreed to between the Companies and the applicable authority:

- a. any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of: i) employment insurance, ii) Canada Pension Plan, iii) Quebec Pension Plan, and iv) income taxes;
- b. all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Companies in connection with the sale of goods and services by the Companies, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- c. any amount payable to the Crown in right of Canada or of any Province or any regulatory or administrative body or any other authority, in all cases in respect of municipal realty, municipal business, or other taxes, assessments or levies of any nature or kind which are: i) entitled at law to be paid in priority to claims of secured creditors; ii) attributable to or in respect of the ongoing Business carried on by the Companies; and iii) payable in respect of the period commencing on or after the date of this Order.

8. Until such time as the Companies disclaim a real property lease in accordance with the CCAA, the Companies shall pay all amounts constituting rent or payable as rent under real property leases, including, for greater certainty, common area maintenance charges, utilities and realty taxes, and any other amounts payable to the landlord under the lease, or as otherwise may be negotiated between the Companies and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with its existing lease agreements. On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid.

9. Except as specifically permitted herein or by further order of this Court, the Companies are hereby directed, until further order of this Court: i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Companies to any of their creditors as of this date without prior written consent of the Monitor; ii) to grant no security interests, trusts, liens, charges, or encumbrances upon or in respect of any of their Property; and iii) to not grant credit or incur liabilities except in the ordinary course of the Business or with the prior written approval of the Monitor.

RESTRUCTURING

10. The Companies shall, with the consent of the CRO and subject to the DIP Documents (defined below), subject to such requirements as are imposed by the Monitor and under any agreements for debtor in possession financing which may be granted, have the right to:

- a. permanently or temporarily cease, downsize or shut down any of their business or operations,

- b. terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate and, as applicable, in accordance with the terms of *any collective agreement*;
- c. pursue all avenues of refinancing of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any refinancing; and
- d. in accordance with the ordinary course of business, dispose of redundant or nonmaterial assets not exceeding \$100,000 in value.

NO PROCEEDINGS AGAINST THE COMPANIES OR THE PROPERTY

11. Until and including the day of March 22, 2024, or such later date as this Court may order (the "**Stay Period**"), no claim, grievance, application, action, suit, right or remedy, or proceeding or enforcement process in any court, tribunal, or arbitration association (each, a "**Proceeding**") shall be commenced, continued, or enforced against or in respect of any of the Companies or the Monitor, or affecting the Business or the Property, except with the written consent of the Companies, the CRO and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Companies or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Companies, the CRO or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Companies, the CRO and the Monitor, or leave of this Court, provided that nothing in this Order shall i) empower the Companies to carry on any business

which the Companies are not lawfully entitled to carry on; ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; iii) exempt the Companies from compliance with statutory or regulatory provisions relating to health, safety, or the environment; iv) prevent the filing of any registration to preserve or perfect a security interest; or v) prevent the registration of a claim for lien and the related filing of an action to preserve the right of a lien holder, provided that the Companies shall not be required to file a defence during the Stay Period.

NO INTERFERENCE WITH RIGHTS

13. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Companies, including but not limited to renewal rights in respect of existing insurance policies on the same terms, except with the written consent of the Companies, the CRO and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. During the Stay Period, all Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services to the Business or the Companies, are hereby restrained until further order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Companies, and the Companies shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with normal

payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and each of the Companies, the CRO and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. Notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property, or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Companies.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Companies, if one is filed, is sanctioned by this Court or is refused by the creditors of the Companies or this Court, these Proceedings are dismissed by final order of this Court, or with leave of this Court.

APPOINTMENT OF CRO

17. David Boyd, as a representative of Resolve Advisory Services Ltd., is hereby appointed Chief Restructuring Officer (the “CRO”) over the Companies and shall, subject to the Orders of the Court that have been and may be granted from time to time in these proceedings, have

those powers as are set out in the engagement letter (the "**CRO Agreement**") attached to affidavit of Russell French sworn March 8, 2024 (the "**French Affidavit**").

18. The CRO Agreement is approved and the Companies are authorized to perform all of their obligations pursuant to the CRO Agreement.

19. Neither the CRO nor any employee or agent of the CRO shall be deemed to be a director or trustee of any of the Companies.

20. Neither the CRO nor any officer, director, employee or agent of the CRO, including without limitation, David Boyd, shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any liability or obligation incurred as a result of gross negligence or wilful misconduct on its or their part; provided that any liability of the CRO hereunder shall in no event exceed the quantum of the fees paid to the CRO.

21. The fees and expenses payable to the CRO are entitled to the benefit of the Administration Charge (defined below).

APPOINTMENT OF MONITOR

22. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Companies, the Property, and the Companies' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and the Companies and their shareholders, officers, directors, employees and Assistants and the CRO shall advise the Monitor of all material steps taken by the Companies or the CRO pursuant to this Order, cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations, and provide the Monitor with the

assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- a. monitor the Companies' receipts and disbursements;
- b. report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the activities of the Companies, and such other matters as may be relevant to the proceedings herein;
- c. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents and to the Business of the Companies, to the extent that is necessary to adequately assess the Companies' Business and financial affairs or to perform its duties arising under this Order;
- d. be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order, including any affiliate of, or person related to the Monitor;
- e. meet and consult with the CRO in respect of any matter pertaining to these proceedings or this Order;
- f. be at liberty to perform such other duties as are required by this Order or by this Court from time to time.

24. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. Nothing herein contained shall limit the protections afforded the Monitor at law including those protections set out in the CCAA.

26. All employees of the Companies shall remain the employees of the Companies and shall not be employees of the CRO or the Monitor. Neither the Monitor nor the CRO shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

27. The Monitor shall provide any creditor of the Companies or a potential debtor-in-possession lender ("**DIP Lender**") with information provided by the Companies or the CRO in response to reasonable requests for information made in writing by such creditor or a DIP Lender addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Companies or the CRO is confidential, the Monitor shall not provide such information to creditors or a DIP Lender unless otherwise directed by this Court or on such terms as the Monitor, the CRO and the Companies may agree.

28. The Monitor, counsel to the Monitor, counsel to the Applicants and the CRO shall be paid their reasonable fees and disbursements, in each case not to exceed their standard rates and charges, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants and the CRO on a monthly basis.

29. The Monitor and its legal counsel shall pass their accounts from time to time before a judge of this court or a referee appointed by a judge.

ADMINISTRATIVE CHARGE

30. The Monitor, the Monitor's counsel, the Applicants' counsel and the CRO shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Companies' Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 42 and 43 herein.

DIRECTORS' CHARGE

31. The Companies shall indemnify their current directors and officers (including the CRO) (the "**Current Directors and Officers**") against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the within proceedings, except that to the extent that with respect to any officer or director, the obligation or liability was incurred as a result of such directors or officers' gross negligence or wilful misconduct.

32. The Current Directors and Officers of the Companies shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Companies' Property, which charge shall not exceed an aggregate amount of \$1.075 million, as security for the indemnity provided in paragraph 31. The Directors' Charge shall have the priority set out in paragraphs 42 and 43 herein.

33. Notwithstanding any language in any applicable insurance policy to the contrary, (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (ii)

the Current Directors and Officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' or officers' insurance policy, or to the extent such coverage is insufficient to pay amounts indemnified in accordance with paragraph 31 of this Order.

DEBTOR-IN-POSSESSION FINANCING

34. The Companies are hereby authorized and empowered to obtain and borrow under a credit facility from the Applicants (the "**DIP Lender**") in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$500,000 (the "**DIP Facility**") unless permitted by further order of this Court.

35. The DIP Facility shall be substantially on the terms and subject to the conditions set forth in the Interim Financing Term Sheet, ~~as~~ ^{as agreed upon by the parties (see J.)} attached to the French Affidavit, as same may be amended from time to time with the Monitor's written consent provided any amendment may not affect a secured creditor's rights without further order of this Court.

36. Without limiting the powers granted to the CRO pursuant to the CRO Agreement, the CRO shall be entitled to and is hereby authorized and empowered to sign the Interim Financing Term Sheet on behalf of the Companies.

37. The Companies or the CRO on behalf of the Companies, are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**DIP Documents**"), as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees,

liabilities and obligations including, on account of any pre-filing obligations, to the DIP Lender under and pursuant to the Interim Financing Term Sheet as and when the same become due and are to be performed, from funds on hand or from funds generated by ordinary course post-filing sales, notwithstanding any other provision of this Order. For certainty, no advance under the DIP Facility shall be used to pay any pre-filing obligations of the Companies.

38. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Companies' Property as security for any and all obligations of the Companies under or pursuant to the DIP Facility and the Interim Financing Term Sheet, which charge shall not exceed the aggregate amount owed to the DIP Lender under or pursuant to the DIP Facility and Interim Financing Term Sheet. The DIP Lender's Charge shall have the priority set out in paragraphs 42 and 43 herein.

39. Notwithstanding any other provision of this Order:

- a. the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or the Interim Financing Term Sheet or any of the DIP Documents;
- b. upon the occurrence of an event of default under the Interim Financing Term Sheet or DIP Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) days notice to the Companies, the CRO and the Monitor, may with leave of the Court exercise any and all of its rights and remedies against the Companies or the Property under or pursuant to the Interim Financing Term Sheet, DIP Documents and the DIP Lender's Charge; and

- c. the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

40. The DIP Lender shall be treated as unaffected in any plan under the CCAA, or any proposal filed by the Companies under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Interim Financing Term Sheet or the DIP Documents and with respect to any claims and rights the DIP Lender may have under or pursuant to any agreements related to the DIP Facility.

VALIDITY AND PRIORITY OF THE CHARGES CREATED BY THIS ORDER

41. The filing, registration or perfection of the Administration Charge, the DIP Lenders' Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

42. The priorities of the Charges, as among them, with respect to the Property shall be as follows:

- a. First – Administration Charge (to the maximum amount of \$300,000);
- b. Second – the DIP Lender's Charge; and
- c. Third – Directors' Charge to the maximum amount of \$1.075 million).

43. The Charges shall constitute a charge on the Property and shall rank in priority to claims of the following secured creditors: (a) the Applicants; (b) Canada Revenue Agency; and (c) in priority to any other interests, trusts, liens, charges, and encumbrances and claims, statutory or

otherwise, in favour of any Person other than those parties with equipment financing liens or leases who finance or lease equipment to the Companies in their ordinary course of business and who have not received notice of this Application.

44. The Companies and beneficiaries of the Charges shall be entitled, upon giving notice to parties likely affected, to seek an order changing the amount of the Charges or providing the Charges shall rank in priority to secured creditors not named in paragraph 43.

45. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any encumbrance over any Property that ranks in priority to, or pari passu with the Charges unless the Companies also obtain the prior written consent of the beneficiaries of the Charges, or further order of this Court.

46. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Charges shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application for a bankruptcy order issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; or (d) any negative covenants, prohibitions, or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, sublease, offer to lease, or other agreement (collectively, an "**Agreement**") which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- a. the creation of the Charges shall not create or be deemed to constitute a breach by the Companies of any Agreement to which they are party;

- b. none of the beneficiaries of the Charges shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies seeking the creation of the Charges; and
- c. the payments made by the Companies pursuant to this Order do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE AND NOTICE

47. The Monitor shall: i) without delay, publish in a notice containing the information prescribed under the CCAA, ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Companies of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

48. The Companies, the CRO and the Monitor may give notice of this Order, any other materials and orders in these proceedings, and any notices, and provide correspondence, by forwarding originals or true copies by prepaid ordinary mail, courier, personal delivery, or electronic transmission to the Companies' creditors or other interested parties at their respective addresses as last shown on the records of the Companies and any such notice by courier, personal delivery, or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

49. The Companies, the CRO and the Monitor, and any party who has filed a demand of notice may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsel's e-mail addresses as recorded on the service list from time to time, and the Monitor may post a copy of any or all such materials on its website at

[.com]: <https://www.ksvadvisory.com/experience/case/Herald-Saltwin>

(J.M.J.)

GENERAL

50. The Companies, the CRO and the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

51. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, construction lien trustee, or a trustee in bankruptcy of the Companies, the Business or the Property.

52. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside Nova Scotia, is requested to give effect to this Order and to assist the Companies, the CRO, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies, the CRO and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Companies, the CRO and the Monitor and their respective agents in carrying out the terms of this Order.

53. Each of the Companies, the CRO and the Monitor may apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor may act as a representative

in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

54. Any interested party, including the Companies, the CRO and the Monitor, may apply to this Court to vary or amend this Order on such notice required under the *Civil Procedure Rules* or as this Court may order.

55. This Order and all of its provisions are effective as of 12:01 ^(for J.) ~~(a.m./p.m.)~~ [Atlantic Standard/Atlantic Daylight Saving] Time on the ^{13th} day of ²⁸ March, 2024 ^(for J.)

Issued March 13, 2024

Vicki Carr

Prothonotary

VICKI CARR
A JUSTICE OF THE PEACE IN AND
FOR THE PROVINCE OF NOVA SCOTIA

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document,
identified by the seal of the court, is a true
copy of the original document on the file herein.
MAR 13 2024
Vicki Carr
Deputy Prothonotary

VICKI CARR
A JUSTICE OF THE PEACE IN AND
FOR THE PROVINCE OF NOVA SCOTIA

Schedule "A"

2024

Hfx No

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., c. C-36,
AS AMENDED

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC., THE
HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents

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Appendix “B”



HFX No. _____

SUPREME COURT OF NOVA SCOTIA

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

- AND -

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
THE HALIFAX HERALD LIMITED, SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND
BRACE HOLDINGS LIMITED**

BETWEEN:

**Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.,**

Applicants

-and-

**SaltWire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited**

Respondents

**PRE-FILING REPORT OF KSV RESTRUCTURING INC.
AS PROPOSED MONITOR**

March 8, 2024

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1.0 Introduction

1. KSV Restructuring Inc. (“**KSV**”) understands that Fiera Private Debt Fund III LP, by its sole general partner Fiera Private Debt Fund GP Inc. (“**Fund III**”) and Fiera Private Debt Fund V LP, by its sole general partner Fiera Private Debt Fund GP Inc. (“**Fund V**”) and together with Fund III, “**Fiera**”) intends to make an application to the Supreme Court of Nova Scotia (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an initial order (the “**Initial Order**”) in respect of The Halifax Herald Limited (“**Herald**”), SaltWire Network Inc. (“**Saltwire**”) (jointly, the Herald and Saltwire, the “**Media Companies**”), Headline Promotional Products Limited (“**Headline**”), Titan Security & Investigation Inc. (“**Titan**”), Brace Capital Limited (“**Brace Capital**”) and Brace Holdings Limited (“**Brace Holdings**”), and together with Headline, Titan and Brace Capital, the “**Non-Media Companies**”, and together the Non-Media Companies and the Media Companies, the “**Companies**”) for protection under the CCAA and appointing KSV as monitor in these proceedings (the “**Monitor**”).
2. Fiera is the Media Companies’ senior secured creditor and is owed in excess of \$32 million, plus interest and costs which continue to accrue. The Non-Media Companies are guarantors of the debt owing to Fiera.
3. Fiera is bringing this application as the Companies’ largest creditor to create a stabilized environment to enable the Companies, particularly the Media Companies, to secure financing to continue to operate while the Media Companies pursue a restructuring or sale of their businesses and assets through a Court-supervised sale and investor solicitation process (the “**SISP**”).
4. In October 2023, the Media Companies engaged FTI Capital Advisors-Canada ULC (“**FTI**”) and commenced a strategic process to explore a potential sale or refinancing of their business. Fiera’s CCAA application materials contemplate that the SISP would continue during these CCAA proceedings, as discussed in further detail below and subject to Court approval.
5. Pursuant to the terms of the proposed Initial Order, Fiera is seeking, among other things:
 - a) a Court-ordered Administration Charge, an Interim Lender’s Charge and a D&O Charge (as each term is defined below);
 - b) the appointment of David Boyd, a representative of Resolve Advisory Services Ltd. (“**Resolve**”), as Chief Restructuring Officer (the “**CRO**”); and
 - c) a stay of proceedings pending a further application to be heard on a date within ten days after the granting of the Initial Order (the “**Comeback Application**”).

6. KSV understands that at the Comeback Application, Fiera intends to seek, among other things, the following relief:
 - a) an extension of the stay of proceedings;
 - b) an increase in the amount that the Companies may borrow under the Interim Financing Facility;
 - c) approval of the SISP; and
 - d) such other relief as Fiera believes will assist to preserve and protect the Companies' businesses and assets and successfully complete a going-concern transaction in accordance with the SISP.
7. The Affidavit of Russell French, a managing director of, and the head of special situations at, Fiera, affirmed March 8, 2024 in support of Fiera's CCAA application (the "**French Affidavit**"), provides, *inter alia*, background information concerning the Companies and their businesses, as well as the reasons that Fiera commenced these proceedings.
8. If the Court grants the relief set out in the proposed Initial Order, the Court materials filed in these proceedings will be made available by KSV on its case website at <https://www.ksvadvisory.com/experience/case/Herald-Saltwire>.
9. KSV is filing this report (the "**Pre-filing Report**") as proposed Monitor. If the Initial Order is granted by the Court, the Monitor will file a report in respect of the relief to be sought by Fiera at the Comeback Application and any matters that have arisen since the date of this Pre-filing Report.
10. KSV understands that the Companies intend to bring their own application for protection under the CCAA; however, as of the time this Pre-filing Report was finalized, KSV has not received the Companies' materials. The only recent financial information shared by the Companies with Fiera and KSV is the Companies' contemplated Cash Flow Forecast (as defined below), which was received at approximately 5 p.m. (Eastern Time) on March 7, 2024, without underlying support or meaningful explanations.
11. The focus of this Pre-Filing Report is largely the Media Companies, which has been the principal focus of KSV's Advisory Mandate (as defined below). KSV expects that the Companies' CCAA materials will include current financial and other information concerning the Companies.

1.1 Purposes of this Report

1. The purposes of this Pre-filing Report are to:
 - a) provide KSV's qualifications to act as Monitor;
 - b) provide background information about the Companies;

- c) comment on the cash flow forecast for the period March 10 to June 10, 2024 (the “**Cash Flow Forecast**”) included in the Companies’ materials;
- d) summarize: (i) the terms of a proposed interim financing credit facility (the “**Interim Financing Facility**”) to be made available to the Companies by Fiera (in such capacity, the “**Interim Lender**”), subject to the Court granting the relief sought by Fiera, in an amount to be confirmed by the Companies and the CRO, in consultation with the Monitor and with the approval of Fiera, prior to the Comeback Application, pursuant to an interim financing term sheet (the “**Interim Financing Term Sheet**”), and (ii) the Companies’ potential need for up to \$500,000 of immediate funding under the Interim Financing Facility prior to the Comeback Application (the “**Interim Advance**”);
- e) discuss the rationale for the following provisions in the Initial Order:
 - a charge in the amount of \$300,000 (the “**Administration Charge**”) on the Companies’ current and future property, assets and undertaking (collectively, the “**Property**”) to secure the fees and disbursements of the Monitor, its legal counsel, Fiera’s counsel (Norton Rose Fulbright Canada LLP) and the CRO;
 - a charge on the Property in favour of the Interim Lender (the “**Interim Lender’s Charge**”) to secure advances made under the Interim Financing Facility. Until the Comeback Application, advances, if required, will be limited to the Interim Advance, which will provide the Companies, particularly the Media Companies, with liquidity to fund their operating costs, including payments to employees and vendors prior to the Comeback Application;
 - a charge on the Property in the amount of \$1.075 million in favour of the directors and officers of the Companies (the “**D&O Charge**”, and collectively with the Interim Lender’s Charge and the Administration Charge, the “**Charges**”); and
 - the proposed priority of the Charges; and
- f) provide the proposed Monitor’s recommendations regarding the relief sought by Fiera in its application materials.

1.2 Restrictions

1. In preparing this Pre-Filing Report, KSV has relied upon certain of the Companies’ unaudited financial information, financial forecasts, books and records, information available in the public domain and discussions with the Media Companies’ management, Fiera and its legal counsel.

2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Pre-filing Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Pre-Filing Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.
4. KSV’s commentary in this Pre-filing Report on the Cash Flow Forecast is based on its preliminary review. With limited exception, the Companies have not directly engaged with Fiera or KSV since March 1, 2024 and accordingly, KSV has not had the opportunity to directly discuss the Cash Flow Forecast with the Companies. If appointed Monitor, KSV may update the Cash Flow Forecast and file a revised version prior to the Comeback Motion.

1.3 Currency

1. All currency references in this Pre-Filing Report are in Canadian dollars.

1.4 KSV’s Qualifications to Act as Monitor

1. KSV is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). KSV is not subject to any of the restrictions to act as monitor set out in Section 11.7(2) of the CCAA.
2. KSV has consented to act as monitor in these proceedings should the Initial Order be granted. A copy of KSV’s consent to act as Monitor is attached as **Appendix “A”**.
3. KSV has experience acting as CCAA monitor and other court-officer capacities in insolvency proceedings across Canada, including in the media sector.
4. Pursuant to a letter dated October 24, 2023, KSV Advisory Inc., an affiliate of KSV, was engaged by Fiera as its financial advisor, with the Media Companies’ consent (the “**Advisory Mandate**”). KSV has, since that time, gained an understanding of the Companies’ business, with a focus on the Media Companies’ businesses.
5. The Advisory Mandate will significantly assist KSV to facilitate the restructuring proceedings of the Companies and will provide Fiera with the oversight it requires to be comfortable providing debtor-in-possession (“**DIP**”) financing to the Companies during these proceedings. Fiera’s financial support will provide the Companies with the opportunity to advance a restructuring of their businesses pursuant to the terms of the contemplated SISP, which is ongoing.

6. Neither KSV nor any of its representatives or affiliates has at any time in the past two years been: (a) a director, officer or employee of any member of the Companies; (b) related to any member of the Companies, or to any director or officer of any member of the Companies; or (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of any member of the Companies.

2.0 Background

1. The Companies are private companies incorporated under the laws of Nova Scotia.
2. The Media Companies publish *The Chronicle Herald*, the *Cape Breton Post*, *The Telegram* (St. Johns) and *The Guardian* (Charlottetown), as well as several digital publications. KSV understands that these are the largest media and newspaper businesses in Atlantic Canada.
3. The Media Companies also recently launched a “last mile” parcel delivery business known as “Door Direct”, which utilizes their existing carrier network. The Media Companies believe that this business has the potential to materially improve their viability. The Door Direct business is in its development stages.
4. Titan is a full-service security and health care services company. Headline is a promotional products company that procures branded novelty and other products for corporate buyers. Brace Capital is the sole shareholder of Headline and Titan. Brace Holdings is the sole shareholder of the Media Companies and Brace Capital. A copy of the Companies’ corporate chart is provided as **Appendix “B”**.
5. The Herald’s head office and principal address is located at 2717 Joseph Howe Drive, Halifax where it operates from leased premises. The registered office of Saltwire, Headline and Titan is located at 600-1741 Lower Water Street, Halifax.
6. Saltwire owns the following locations from which it presently operates (or formerly operated):
 - 311 Bluewater Road, Bedford;
 - 2 Second Street, Yarmouth;
 - 255 George Street, Sydney; and
 - 36 Austin Street, St. John’s.
7. Fiera has a senior ranking mortgage on each of the above properties.

8. KSV understands that the Media Companies presently have approximately 385 employees. A large number of the Media Companies' employees are members of unions, as set out below:

Union	Members	Province
CWA Cape Breton Post	24	Nova Scotia
Halifax Typographical Union – Editorial	19	Nova Scotia
Halifax Typographical Union – Press	9	Nova Scotia
UFCW – St. John's Mailroom	10	Newfoundland
UFCW – Western Star	3	Newfoundland
Unifor – Telegram (Admin)	10	Newfoundland
Unifor – Editorial	13	Newfoundland
Unifor – NL Print	19	Newfoundland
Unifor – NL Print CSR	1	Newfoundland
Total	108	

9. The Media Companies have several pension and other benefit plans for their current and former employees, as follows:

Plan Name	Sponsor	Plan Type
Pension Plan for the Employees of SaltWire Network Inc.	SaltWire	Defined Contribution
The Group Retirement Savings Plan for the Employees of SaltWire Network	SaltWire	Registered Retirement Savings Plan
The Deferred Profit-Sharing Plan for the Employees of SaltWire Network	SaltWire	Deferred Profit-Sharing Plan
The Group Tax-Free Savings Account for the Employees of SaltWire Network	SaltWire	Tax-Free Savings Account
The Herald Retirement Plan	Herald	Registered Pension Plan
The Halifax Herald Limited & Associated Companies	Herald	Registered Retirement Savings Plan
The Deferred Profit-Sharing Plan for the Employees of The Halifax Herald	Herald	Deferred Profit-Sharing Plan
The Group Tax-Free Savings Account for the Employees of The Halifax Herald	Herald	Tax-Free Savings Account
The Herald Retirement Plan	Herald	Defined Benefit

10. Additional background information about the Companies is provided in the French Affidavit¹ and, KSV assumes, in the Companies' materials. Unless relevant to this Pre-filing Report, KSV has not repeated in this Pre-filing Report the background information in the French Affidavit.

¹ Capitalized terms not otherwise defined in this Pre-Filing Report have the meanings ascribed to them in the French Affidavit.

2.1 Financial Position

Media Companies

1. Halifax and Saltwire are separate legal entities; however, the Media Companies commonly present their financial information on a combined basis. The combined unaudited balance sheet of the Media Companies as at December 31, 2023 is summarized below². The Media Companies have not provided KSV with the separate balance sheets for each of Halifax and Saltwire as at December 31, 2023.

Description	Book Value (\$000s)
Cash	263
Accounts receivable	15,078
Inventory	317
Prepaid expenses	434
Due from shareholders and related parties	720
Property, plant and equipment	12,028
Goodwill and Intangibles	3,524
Total Assets	32,364
Accounts payable and accrued liabilities	13,390
HST payable	4,985
Advanced payments	2,270
Long-term debt	33,265
Vendor note	9,849
Deferred lease inducement	504
Accrued benefit obligation	16,423
Due to related parties	13,498
Total Liabilities	94,184
Equity	(61,820)
Total Liabilities & Equity	32,364

2. Cash: based on the Cash Flow Forecast, the Companies' present cash balance is \$300,000³. For several months, the Media Companies have been funding their businesses by deferring payment of HST and certain pension and benefit amounts deducted from employees but not remitted on a timely basis. As of January 2, 2024⁴, the Media Companies owed Canada Revenue Agency ("CRA") approximately \$7 million⁵, which has been a primary source of capital from which the Media Companies have funded their businesses. If not for this source of liquidity, the Media Companies would not have had sufficient cash to fund their operations, as their businesses do not generate positive cash flow and they do not have access to an operating line of credit; the Media Companies do not have an operating loan facility.

² The balance sheet includes certain balances owing between Halifax and Saltwire. It is unclear to KSV why these amounts are not eliminated when the balance sheets of each are combined.

³ KSV does not have support to confirm this amount.

⁴ Per notices from CRA.

⁵ See Section 2.1.6 for a further discussion of this issue.

3. Accounts receivable: the balance includes amounts owed from the Media Companies' subscribers and advertisers (\$3.0 million), as well as related party balances (\$5.3 million)⁶. KSV is awaiting information from the Media Companies on the \$6.7 million remaining amount in this line item, as such detail was not included in their reporting to Fiera.
4. Property, plant and equipment: primarily represents the net book value of the Media Companies' properties, plant and equipment summarized above in Section 2.
5. Accounts payable and accrued liabilities: this balance includes trade creditors (\$4.5 million), a pension-related benefit amount owing to Manulife Financial (\$2.7 million, discussed further below) and related party balances (\$5.3 million).
6. HST payable: represents outstanding principal, accrued interest and penalties owing to CRA net of \$2.4 million recorded by the Media Companies in respect of the *Canadian Journalism Labour Tax Credit* program which provides a refundable tax credit for each eligible newsroom employee of a qualifying journalism organization; the gross HST liability was approximately \$7 million as at January 2, 2024. A portion of the balance owing to CRA is a deemed trust pursuant to Section 222 of the *Excise Tax Act*.
7. Long-term debt: represents amounts owing to Fiera of approximately \$33.2 million as of December 31, 2023 under various credit facilities, as more fully described in the French Affidavit.
8. Accrued benefit obligation: the Media Companies have underfunded defined benefit plans providing pension and other retirement benefits to most of their employees. The balance represents the amount, for accounting purposes, of the outstanding obligation and is subject to a new valuation report due on December 31, 2024.
9. Due to related parties: this includes outstanding loans to the following companies, which are related through common ownership: Abiglex Investments Limited, G.W.D. Investments Limited, Titan, Headline and Brace Capital. These loans have no set terms of repayment and are non-interest bearing.
10. Equity: the Media Companies have negative equity of approximately \$61.8 million, representing, primarily, years of recurring losses.

Non-Media Companies

11. Balance sheets for Titan and Headline are provided in **Appendix "C"**. Each of these Non-Media Companies' businesses generates significantly less revenue than the Media Companies and their assets are relatively *de minimus* compared to the Media Companies. KSV understands that Brace Capital and Brace Holdings are holding companies. Reference should be made to the Companies' materials for financial information regarding the Non-Media Companies.

⁶ The Media Companies' combined balance sheet does not eliminate balances owing to and from Herald and Saltwire.

2.2 Secured Creditors

1. Fiera is the Media Companies' most significant creditor pursuant to various credit facilities dated July 19, 2012 and April 12, 2017, as amended. Fiera's facilities are guaranteed by the Non-Media Companies and are described in the French Affidavit. Fiera has security over all or substantially all of the Companies' businesses and assets.
2. KSV understands that the Media Companies have also entered into several equipment and vehicle leases.

2.3 Unsecured Creditors

1. As of December 31, 2023, the Media Companies' unsecured creditors were owed approximately \$7.2 million. Unsecured obligations are primarily comprised of amounts owing to paper suppliers, distribution companies, software companies, legal firms, the property manager of the Herald's head office and the employee benefits provider.
2. In addition to the above, the Media Companies are indebted to:
 - a. Transcontinental Nova Scotia Media Group ("**Transcontinental**") in the amount of approximately \$9.8 million in respect of an unsecured vendor takeback promissory note related to Saltwire's acquisition in 2017 of 28 publications from Transcontinental. There is ongoing litigation between Saltwire and Transcontinental, which is described in greater detail in the French Affidavit. The French Affidavit also refers to, and includes as an exhibit a copy of, a Court decision dated March 5, 2024 whereby Saltwire was "ordered to provide Transcontinental with security for costs in the amount of \$500,000 no later than April 30, 2024 as a condition to proceeding with its claim".
 - b. Manulife Financial in the amount of approximately \$2.7 million in respect of a decision by the Nova Scotia Labour Board finding the Herald liable for outstanding special payments that it failed to make in 2018 and 2019. The decision by the Labour Board was upheld by the Court pursuant to a decision dated February 8, 2024.

3.0 Cash Flow Forecast

1. As discussed above, the Companies prepared the Cash Flow Forecast without consulting with Fiera or KSV or providing explanations for changes made to prior versions of financial models that had provided by the Media Companies to Fiera and KSV, including the one it most recently provided on February 14, 2024 that reflected that the Media Companies would have sufficient liquidity to operate until the week ending May 18, 2024.

2. The Media Companies also provided a cash flow variance analysis to Fiera on March 4, 2024 that reflected that the Media Companies would have sufficient liquidity until the week ending May 24, 2024. The Cash Flow Forecast has numerous revised assumptions (excluding CCAA-related assumptions), including material changes to revenue and expense assumptions. The Cash Flow Forecast reflects that by March 23, 2024 the Companies are projected to have a cash balance of approximately \$25,000 prior to paying any costs associated with the CCAA proceedings. KSV has not been provided the opportunity to discuss the new assumptions with management of the Media Companies.
3. A copy of the Cash Flow Forecast without the statutory report required pursuant to Section 10(2)(b) of the CCAA and the report required by the proposed Monitor is included as **Appendix “D”**.
4. If appointed Monitor, KSV intends to meet with the Companies’ management and the CRO to confirm the following:
 - a) the opening cash balance of \$300,000;
 - b) whether receivable collections include amounts associated with a media fund contribution by Google pursuant to the *Online News Act* or revenue associated with the Door Direct business;
 - c) the rationale for “payments in arrears to Manulife Financial for the employee RRSP benefit and arrears owing to the pension plan, totaling \$465K”;
 - d) an explanation for the changes in the Media Companies’ projected operating expenses over the forecast period;
 - e) an explanation for and calculation of the forecasted HST payment of approximately \$398,000 in the week ending March 30, 2024, as this obligation should be payable on or around April 30, 2024;
 - f) the professional fee budget for each professional retained in these proceedings;
 - g) the rationale for funding \$75,000 to the Companies’ litigation counsel;
 - h) an explanation for the forecasted draw on the debtor-in-possession facility of \$2.75 million in the week ending March 30, 2024, as the full amount is not required at that time; and
 - i) whether any fees have been included for FTI in the Cash Flow Forecast.
5. If appointed Monitor, KSV intends to file a revised cash flow forecast, if necessary, in its report to Court on the Comeback Motion.
6. Based on its Advisory Mandate, KSV is concerned that the Companies may require funding before the Comeback Motion. The Companies’ cash balance as of the anticipated date of the Comeback Motion is forecasted to be \$25,000. KSV has been advised that the proposed CRO shares this view.

7. KSV understands that the Interim Lender is prepared to fund up to \$500,000, if required, until the Comeback Date, subject to: (a) the approval of the Initial Order and the granting of the Interim Lender's Charge; (b) the Court issuing an order approving the Interim Financing Term Sheet; and (c) Fiera's application being successful and the Companies' application being dismissed.

4.0 Interim Financing Facility⁷

4.1 Liquidity

1. As discussed in greater detail in the French Affidavit, notwithstanding steps taken by the Media Companies to implement price increases and reduce costs, the Media Companies have been unable to remain current with their sales tax and other obligations and are facing a liquidity crisis. Based on the Cash Flow Forecast, absent filing for CCAA protection, the Companies are not projected to have sufficient liquidity to fund their operational needs and other obligations, including payroll and benefits for their employees and government remittances. Without the injection of immediate working capital through the Interim Financing Term Sheet, the ability of the Companies to continue to operate will be at risk.
2. Fiera has advised KSV that it is only prepared to provide funding to the Companies, and particularly the Media Companies, pursuant to, and as contemplated by, the Interim Financing Term Sheet, subject to the Court approving such financing and granting the Interim Lender's Charge, and the Companies meeting the other terms and conditions set out in the Interim Financing Term Sheet. As of the date of this Report, Fiera has advised KSV that it is not prepared to provide the Interim Financing Facility to the Companies on terms other than those in the Interim Financing Term Sheet.

4.2 Interim Financing Term Sheet

1. The terms of the Interim Financing Facility are set out in the Interim Financing Term Sheet. A copy of the Interim Financing Term Sheet is attached to the French Affidavit. The significant terms of the Interim Financing Facility are outlined below.
 - a) Borrowers: The Media Companies.
 - b) Guarantors: the Non-Media Companies.
 - c) Lender: Fiera.
 - d) Loan amount: As discussed above, the loan amount is to be determined prior to the Comeback Application following a review of the Cash Flow Forecast. The Interim Financing Term Sheet provides for an Interim Advance of up to \$500,000 prior to the Comeback Date.
 - e) Draws: Advances in increments of \$100,000 shall be made available only if the Advance Conditions have been satisfied and/or waived by the Interim Lender.

⁷ Capitalized terms not defined in this section have the meanings ascribed to them in the Interim Financing Term Sheet.

- f) Maturity date: the Companies will repay all of the Interim Financing Obligations in full, on the earlier of:
- i. the date on which the Interim Lender demands repayment of the Interim Financing Facility upon the occurrence of an Event of Default;
 - ii. the date of the termination of the stay period in the CCAA proceedings or the CCAA proceedings are converted into a bankruptcy or a receivership;
 - iii. the date on which the stay in the CCAA proceedings is lifted, in whole or in part, without the prior written consent of the Interim Lender;
 - iv. the date on which all or substantially all of the Collateral has been sold; and
 - v. the date that is six months from the date on which all Initial Advance Conditions have been met to the satisfaction of the Lender.
- g) Interest rate: 8% per annum, which will be calculated on a daily basis and is payable monthly in arrears on the first business day of each month.
- h) Commitment fee: 1%, plus applicable taxes, of the initial \$500,000 amount, is fully earned by the Interim Lender upon execution of the Interim Financing Term Sheet and shall be deducted from the Initial Advance.
- i) Security: all draws on the Interim Facility shall be secured by the Interim Lender's Charge.
- j) Every Wednesday of each week, commencing on March 20, 2024, the Companies shall deliver to the Interim Lender:
- i. a report showing actual cash receipts and actual expenditures for each line item in the Budget covering the previous week and comparing the foregoing amounts with the budgeted cash receipts and budgeted expenditures, respectively, set forth in the Budget for such line item during such one-week period. There shall not be a negative variance of more than 10% of the projected net cash flow and projected cash disbursements on a cumulative basis beginning on the period covered, provided that the payment of the Interim Lender's fees and expenses pursuant to the Interim Financing Term Sheet shall be excluded from such calculation;
 - ii. a one-week roll-forward of the Budget, which shall reflect the Companies' good faith projections and be in form and detail consistent with the initial Budget and subject to the approval of the Interim Lender in its sole discretion; and
 - iii. a written weekly status report on the SISP and an update call with FTI no less than weekly.

- k) Conditions to each Interim Advance include:
 - i. the Court shall have issued the Initial Order approving the Interim Facility and granting the Interim Lender's Charge in a form and substance satisfactory to the Interim Lender;
 - ii. the Interim Lender must have received and approved the Budget;
 - iii. the Commitment Fee and all Interim Financing Fees and Expenses for which invoices have been provided to the Companies shall have been paid, or arrangements satisfactory to the Interim Lender shall have been made to pay such amounts;
 - iv. the appointment of Resolve as CRO and KSV as Monitor;
 - v. no Default or Event of Default shall have occurred; and
 - vi. there shall be no Liens ranking in priority to the Interim Lender Charge other than the Permitted Priority Liens.

4.3 Recommendation Regarding the Proposed Interim Financing Facility

1. When reviewing the reasonableness of the Interim Financing Facility, KSV considered the factors set out in Section 11.2 of the CCAA and notes, in particular, the following:
 - a) the Media Companies are facing a liquidity crisis and the proposed Initial Advance under the Interim Financing Facility is the only financing source the Media Companies have available to fund their immediate cash requirements to fund their operations until the Comeback Application;
 - b) without the cash to be provided under the Interim Financing Facility, the Media Companies will be unable to operate in the normal course and advance their restructuring process;
 - c) on the application for the Initial Order, Fiera is seeking approval for the Media Companies to borrow, and secure under the proposed Interim Lender's Charge, only the amount of the Initial Advance;
 - d) KSV has compared the terms of the Interim Financing Facility to other interim financing facilities approved by Canadian courts in recent CCAA proceedings. The comparison is attached hereto as **Appendix "E"**. Based on KSV's review, the cost of the proposed Interim Financing Facility, including the interest rate under the facility, is lower than similar facilities approved by the Court and other Canadian courts in recent CCAA and other court-supervised restructuring proceedings; and
 - e) there are no structuring, facility, standby or other fees being charged by the Interim Lender under the Interim Financing Facility other than a 1% commitment fee.

2. Based on the foregoing factors, KSV believes that the terms of the Interim Financing Facility are reasonable, and that such facility and the Interim Lender Charge are necessary and in the best interests of the Companies and their stakeholders if the Court grants the relief requested under the Initial Order.
3. KSV has been advised that Fiera is prepared to increase the authorised amount that may be drawn under the Interim Financing Facility at the Comeback Application.

5.0 CRO

1. The proposed Initial Order contemplates the appointment of Mr. Boyd as CRO.
2. Mr. Boyd, with the consent of Fiera, was retained by the Media Companies in August 2022 as a “chief strategy officer”. While performing that mandate, Mr. Boyd gained an understanding of the Media Companies' businesses, operations and management.
3. Mr. Boyd's role as CRO will include providing oversight into the conduct of the business, use of funds and ongoing expenses and oversight over the SISP.
4. As set out in the French Affidavit, Fiera supports the retention of Mr. Boyd as CRO. A copy of the CRO engagement letter is provided as **Appendix “F”**. As reflected therein, the CRO is contemplated to be paid an hourly rate of \$375, which would equate to \$15,000 per week if Mr. Boyd spends 40 hours per week providing CRO services during these proceedings. KSV considers the scope and terms of the CRO engagement letter to be reasonable and appropriate in these circumstances. Mr. Boyd has advised Fiera that if the CRO assignment is more time consuming than contemplated, he will revisit his fees and costs with Fiera and the Monitor.

6.0 Court Ordered Charges

6.1 Administration Charge

1. An Administration Charge is being sought in an amount not to exceed \$300,000 until the Comeback Motion to secure the fees and expenses of the Monitor, its counsel Fiera's counsel, and the CRO. KSV is unaware whether the Companies' counsel has received a retainer; however, none of the other professionals has. Significant fees and costs have been incurred to-date, and will continue to be incurred, by the professionals involved in these proceedings before the Comeback Date.
2. The Administration Charge is a customary provision in an initial order in a CCAA proceeding; it is required to provide security to the professionals engaged to assist a debtor company and to protect them if the debtor is unable to pay professional fees and costs during the CCAA process.

3. KSV believes that the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the Companies' proceedings and the Media Companies' projected illiquidity. Accordingly, the professionals require the benefit of the Administration Charge to protect them for their pre-filing fees related to preparing for these proceedings, as well as for their fees and costs that will be incurred during these proceedings. Without such protection, the professionals are unlikely to be prepared to continue to provide services in these proceedings.

6.2 D&O Charge

1. Fiera has consented to a charge for the Companies' directors and officers (a "**D&O Charge**") in an amount not to exceed \$1.075 million. The amount of the D&O Charge was estimated by KSV, taking into consideration the payroll and sales tax obligations of the Media Companies, each of which, if unpaid, could be a liability for the Companies' directors and officers.
2. The amount of the D&O Charge represents the sum of one payroll cycle and one month's estimated sales tax obligation for the Media Companies based on the most recent three-month average.
3. The Cash Flow Forecast contemplates that payroll and sales taxes are to be paid in the ordinary course. The proposed D&O Charge provides protection for the Companies' Directors and Officers should the Companies fail to pay certain obligations which may give rise to liability for directors and officers.
4. It is proposed that the Directors and Officers would only be entitled to the benefit of the D&O Charge to the extent that: (a) they do not have coverage under their existing insurance policies (to the extent they have such policies); (b) such coverage is insufficient to pay an indemnified amount as described above; or (c) such coverage is denied by the insurance provider or expires. If appointed, the Monitor will request details from the Companies concerning their insurance policies, if any. KSV, if appointed Monitor, will provide the Court with an update concerning this issue in its report to be filed in connection with the Comeback Motion.
5. KSV is of the view that the D&O Charge is reasonable in the circumstances and that the continued involvement of the directors and officers is beneficial at this time to the Companies and the advancement of these proceedings.

6.3 Priority of Charges

1. Fiera proposes the Charges have the following priority:
 - a) First, the Administration Charge;
 - b) Second, the D&O Charge; and
 - c) Third, the Interim Lender's Charge.

7.0 Sale Process

1. As referenced above, the Media Companies engaged FTI in October 2023 to assist them in their effort to raise capital and to conduct a marketing process for the Media Companies' businesses. A copy of FTI's engagement letter with the Media Companies is provided as **Appendix "G"** (the "**FTI Engagement Letter**").
2. Pursuant to the FTI Engagement Letter, FTI is to receive a monthly work fee of \$45,000 for the first four months and a success fee on completion of a transaction. In connection with the SISP, if appointed, the Monitor intends to discuss the extension of the work fee (and the fee structure generally) with FTI on a go forward basis.
3. Fiera and KSV have met regularly with FTI to discuss its progress and feedback from parties it contacted during the SISP. FTI continues to advance the SISP and is engaging with interested parties concerning their interest in the business.
4. If the Initial Order is made, Fiera intends to seek the approval at the Comeback Motion of FTI as the Media Companies' sales advisor and the FTI Engagement Letter (subject to such amendments that Fiera considers necessary) for the purpose of advancing the SISP.

8.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:
 - a) publish without delay a notice in *The Chronicle Herald* newspaper containing the information prescribed under the CCAA; and
 - b) within five days of the granting of the Initial Order to:
 - i. make the Initial Order publicly available in the manner prescribed under the CCAA;
 - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Companies of more than \$1,000 advising that the order is publicly available. In this regard, the Initial Order provides that the Companies are obligated to provide to the Monitor such information within two days of the granting of the Initial Order; and
 - iii. prepare a list, showing the names and addresses of those creditors, and the estimated amounts of those claims, and make it publicly available in the prescribed manner.
2. If appointed Monitor, KSV will also post the Initial Order and all motion materials on a its case website.

9.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Honourable Court grant an initial order under the CCAA on the terms of the draft Initial Order set out in Fiera's application materials.

* * *

All of which is respectfully submitted,

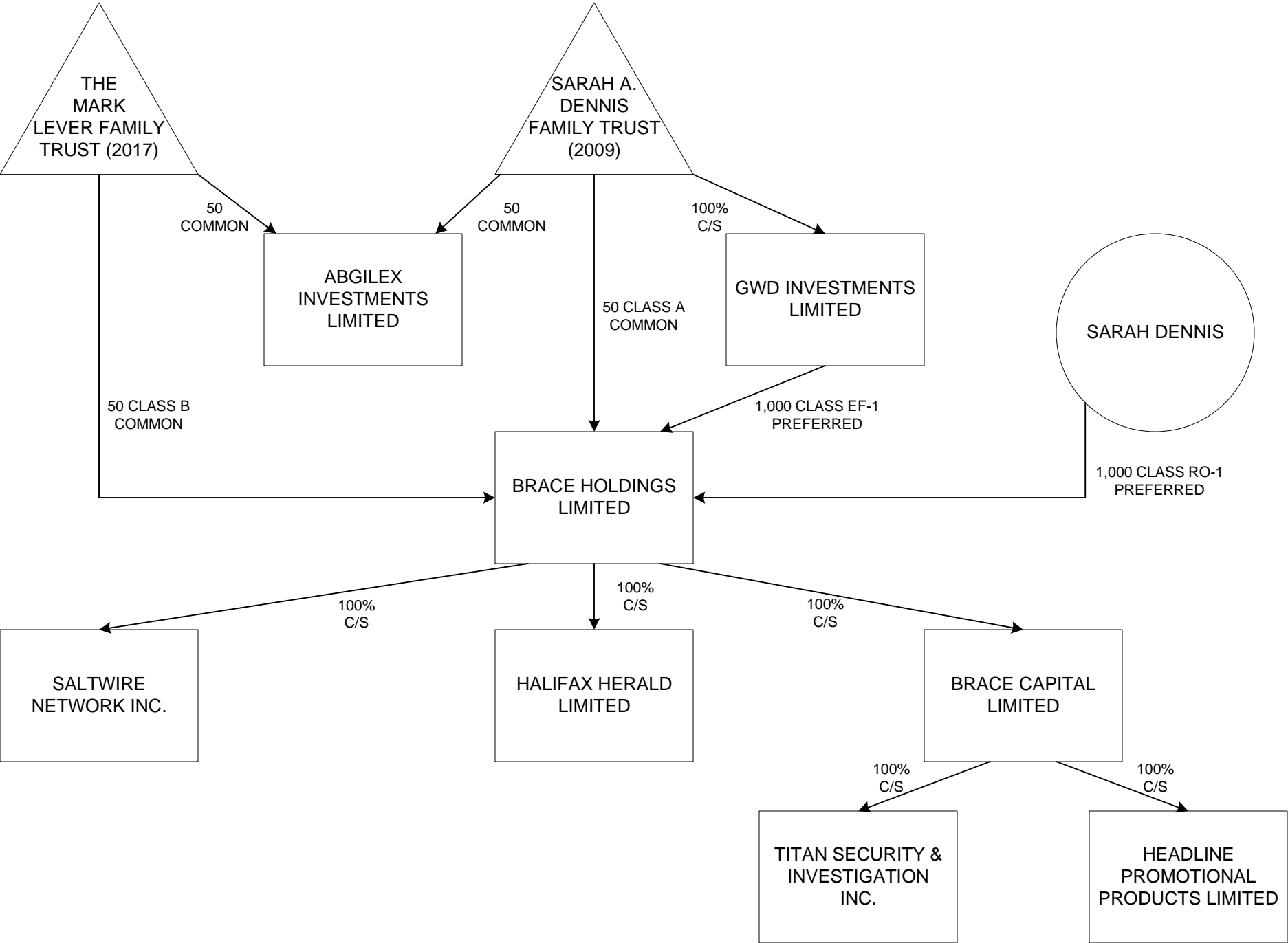
**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS PROPOSED MONITOR OF THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AN BRACE HOLDINGS
LIMITED AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**



PER: BOBBY KOFMAN, PRESIDENT

Appendix “C”

CORPORATE CHART



Appendix “D”

FTI Capital Advisors - Canada ULC

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PRIVATE & CONFIDENTIAL

March 14, 2024

SaltWire Network Inc.
Halifax Herald Limited
2717 Joseph Howe Drive
Halifax, NS B3L 4T9

Attention: Mr. David Boyd, Chief Restructuring Officer

1. Introduction

On March 13, 2024, Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP, each by their general partner, Fiera Private Debt GP Inc. (the “Applicants”) sought and obtained an initial order from the Supreme Court of Nova Scotia (the “Court”) in respect of SaltWire Network Inc. (“SaltWire”) and Halifax Herald Limited (“The Herald” and with SaltWire, the “Media Business”) and various related entities under the *Companies’ Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended (the “CCAA Proceedings”). Pursuant to the initial order, KSV Restructuring Inc. (“KSV”) was appointed as the monitor of the Company (the “Monitor”). As part of the CCAA Proceedings, the Applicants intend to seek the approval of the Court to conduct a sale and investment solicitation process (“SISP”) for the Media Business.

Prior to these proceedings, we, FTI Capital Advisors – Canada ULC (“FTICA”), had been retained by Saltwire and The Herald (collectively, the “Company”), to provide certain financial advisory and investment banking services to the Company. This letter provides the terms pursuant to which FTICA will continue to provide those services to the Company (the “Services” or the “Engagement”), as set out below. This letter of engagement and the attached Standard Terms and Conditions constitute the engagement contract (together, the “Engagement Contract”) pursuant to which the Services will be provided.

2. Scope of Services

The Company, with the consent of the Applicants, hereby continues to engage FTICA as its exclusive financial advisor to provide financial advisory and investment banking services in connection with the proposed SISP, which engagement shall be subject to Court Approval (as defined below).

It is understood that the Company, with the consent of the Applicants, has requested FTICA’s services to assist the Company in discussions with potential purchasers and investors. Any sale or financing transaction (as defined below) will be done on a best-efforts basis, and this Engagement Contract does not represent a commitment of capital by FTICA or any of its affiliates in any form to the Company.

The Services for the engagement, to be performed at your direction, are expected to include the following:

- i. Work closely with purchasers and investors, the CRO, the Monitor and the Company's various stakeholders during each stage of the SISP process;
- ii. Facilitate information flow between purchases and investors on the one hand, and the Company, the Monitor and various stakeholders, on the other;
- iii. Implement a SISP in respect for the Media Business designed to maintain competitive tension and drive value for all stakeholders (we will seek to leverage existing materials, where possible, to ensure efficiency):
 - Identify, and discuss with the Monitor and the CRO, a group of suitable purchasers and investors;
 - Prepare appropriate information to be provided to potential purchasers and investors;
 - Obtain NDAs from purchasers and investors, to the extent not already obtained;
 - Maintain and run a virtual data room on behalf of the Company;
 - Obtain term sheets/letters of intent and evaluate the terms of the offers received in accordance with the SISP procedures;
 - Prepare management¹ for and facilitate meetings between the Company and purchasers and investors;
 - Manage due diligence and negotiation processes with select parties, working together with counsel and the Monitor; and
 - Provide advice through execution of definitive transaction agreements and sale approval.
- iv. Render such other financial advisory and investment banking services as mutually agreed upon by FTICA, the Company and the Monitor.

The Services may be performed by FTICA or by any affiliate of FTICA, as FTICA shall determine. FTICA may also provide Services through its affiliate agents or independent contractors. References herein to FTICA or its employees shall be deemed to apply also, unless the context shall otherwise indicate, to FTICA's affiliates, the employees of each such affiliate and to any such agents or independent contractors and their employees. Further, in the event any Services contemplated hereunder involve transactions, rules and regulations governed by the Financial Industry Regulatory Authority of the United States (FINRA), such Services shall be provided by FTICA's U.S. affiliate, FTI Capital Advisors, LLC ("FTICA LLC"), and all such Services will be under the authority and direction of FTICA LLC as required by applicable law and FINRA's rules.

The Services, as outlined above, are subject to change as mutually agreed between us. For greater certainty, our services shall not include the sale or marketing of Titan Security & Investigation Inc., Headline Promotional Products Limited or the real property owned by the Company (unless the real property is included in a Transaction for the Media Business).

¹ To the extent that any member of management is participating in a competing bid, it would be precluded from attending meetings with such Purchaser/Investor, unless appropriate arrangements are put in place, on such terms as required by the Financial Advisor and the Monitor, as more fully detailed in the Monitor's First Report to Court.

The Company, CRO and the Monitor agree to promptly inform FTICA of any inquiry they receive regarding a Transaction so that FTICA can evaluate such party and its interest in a Transaction.

FTICA is engaged by the Company to provide financial advisory and investment banking services only. Accordingly, while we may from time to time suggest options which may be available to you and further give our professional evaluation of these options, the ultimate decision as to which, if any, of these options to implement rests with the Company, by its CRO, and the Monitor. FTICA and its employees will not make any management decisions for the Company and will not be responsible for communicating information concerning the Company to the public or any others.

The Company, by its CRO, agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law.

As part of the Services, FTICA may be requested to assist the Company (and its legal or other advisors) in negotiating with the Company's various stakeholders, potential purchasers and investors, and with other interested parties. If we participate in such negotiations, the representations made and the positions advanced will be those of the Company and its management, not FTICA or its employees.

Dean Mullett, Senior Managing Director of FTICA, will be responsible for the overall engagement. He will be assisted by other FTICA personnel, as appropriate.

3. Fees

The Fees in connection with Services performed in the Engagement Contract are outlined as follows:

- A. FTICA shall charge for work performed at its standard hourly rates (set out in Schedule "A") for services rendered (the "**Work Fee**") provided that the total amount of the Work Fee shall be capped at (a) \$250,000 for services rendered up to the end of Phase 1 of the SISP; and (b) \$250,000 for services rendered during Phase 2 of the SISP (as all such terms are defined in the SISP).
- B. In the event that the SISP results in a Transaction, FTICA shall be entitled to an additional fee (the "**Transaction Fee**" and together with the Work Fee, the "**Fees**"), payable in cash at the closing of a Transaction(s) for the Media Business of CAD\$250,000.

FTICA will bill for reasonable direct expenses which are incurred on your behalf during this Engagement. Direct expenses are reasonable and customary out-of-pocket expenses which are billed directly to the Engagement such as certain telephone, overnight mail, messenger, travel (air travel will be economy class unless otherwise agreed in advance by the Company by its CRO), meals, accommodations and other expenses specifically related to the Engagement. Direct expenses may also include the costs of independent legal counsel if such is determined by FTICA to be necessary, provided the Monitor and the CRO agree in advance. All fees and expenses will be subject to applicable taxes.

In order to render the Services under this Engagement Contract, the Applicants in the CCAA proceedings shall promptly apply to the Court as part of the approval of the SISP, for approval of (a) this Engagement Contract; (b) the retention of FTICA by the Company under the terms of this Agreement; (c) the payment of the fees and expenses of FTICA under this Engagement Contract in the form and at times contemplated hereby; (d) a charge ranking equal to the Administration Charge in favour of FTICA in respect of the Fees and only payable in accordance with the terms of this Engagement Contract.



For purposes of this Engagement Contract, the term “Transaction” is defined to include any of the following (whether in one or a series of transactions): (a) a merger or consolidation of the Company or the Media Business, (b) a sale of at least 50% of the equity securities of the Company (whether from the Company or security holders of the Company) or the Media Business, in any case whether by sale, exchange, tender offer or otherwise, (c) any transaction which results in a third party having the right to elect a majority of the members of the Board of Directors of the Company or the Media Business, (d) a sale (including, without limitation, by sale, lease, license, exchange or other acquisition) of a significant amount of the assets (tangible or intangible) of the Company or the Media Business, (e) any recapitalization or restructuring (including spin-off or split-off of assets) of a significant amount of the Company or the Media Companies, or (f) any other form of disposition which results in the effective disposition of all or a substantial amount of the business and operations of the Company or the Media Business. The term “Transaction” shall not include any credit bid or other acquisition by the Applicants (or affiliates of the Applicants).

If this Engagement Contract is terminated for any reason, and the Company closes, or enters into an agreement in principle to engage in (and which subsequently closes), a Transaction within twelve (12) months after the termination of this Engagement Contract, with any party which (i) was identified by FTICA, contacted by FTICA, or with whom FTICA had discussions regarding a potential Transaction during the term of this Engagement Contract, FTICA shall be (a) entitled to its applicable Transaction Fee as referenced above upon the closing of the Transaction as if no termination of this Engagement Contract had occurred; and (b) entitled and hereby authorized by the Company to provide a notice and direction to any party completing a Transaction in accordance with this paragraph to forward the Transaction Fee to FTICA (collectively the “Trailer Clause”). FTICA will provide this list at the time this engagement letter is terminated:

We will submit to the Company, on a monthly basis, invoices payable upon receipt, for the Work Fee and expenses incurred in connection with the Engagement. FTICA reserves the right to (i) immediately stop work should you fail to pay our outstanding fees and expenses within 48 hours of being notified of the Company’s failure to pay; and (ii) in the event of (i) terminate the Engagement Contract in accordance with their terms.

If FTICA and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this matter, FTICA will be compensated by you at its regular hourly rates and reimbursed for reasonable allocated and direct expenses (including counsel fees) with respect thereto.

The Company agrees to promptly notify FTICA if the Company or any of its subsidiaries or affiliates extends (or solicits the possible interest in receiving) an offer of employment to a principal or employee of FTICA involved in this Engagement and agrees that FTICA has earned and is entitled to a cash fee, upon hiring, equal to 150% of the aggregate first year’s annualized compensation, including any guaranteed or target bonus and equity award, to be paid to FTICA’s former principal or employee that the Company or any of its subsidiaries or affiliates hires at any time up to one year subsequent to the date of the final invoice rendered by FTICA with respect to this Engagement.

4. Terms and Conditions

The attached Standard Terms and Conditions set forth the duties of each party with respect to the Services. Further, this letter and the Standard Terms and Conditions attached comprise the entire Engagement Contract for the provision of the Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations, and shall supersede all previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services.

5. Conflicts of Interest

Based on the list of interested parties (the “**Potentially Interested Parties**”), provided by you, we have undertaken a limited review of our records to determine whether there is any conflict of interest that would prevent us from accepting this engagement.

From the results of such review, we were not made aware of any conflicts of interest or additional relationships that we believe would preclude us from performing the Services. However, as you know, FTICA and its affiliates are a large consulting firm with numerous offices throughout the world and are regularly engaged by new clients, which may include one or more of the Potentially Interested Parties.

6. Acknowledgement and Acceptance

Please acknowledge your acceptance of the terms of this Engagement Contract by signing both the confirmation below and the attached Standard Terms and Conditions and returning a copy of each to us at the above address.

If you have any questions regarding this letter or the attached Standard Terms and Conditions, please do not hesitate to contact Dean Mullett at 416-816-0733.

Yours faithfully,

FTI CAPITAL ADVISORS – CANADA ULC

By:



Dean Mullett
Senior Managing Director



Confirmation of Terms of Engagement

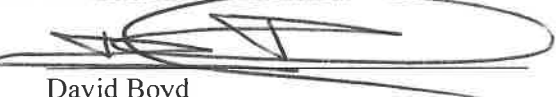
We agree to engage FTI Capital Advisors – Canada ULC upon the terms set forth herein and in the attached Standard Terms and Conditions.

SALTWIRE NETWORK INC.

By: 
David Boyd
Chief Restructuring Officer

Date: March 15 / 2024

HALIFAX HERALD LIMITED

By: 
David Boyd
Chief Restructuring Officer

Date: March 15 / 2024

Appendix “E”



SaltWire Network Inc. and Halifax Herald Limited

Process Summary

Private and Confidential

Disclaimer

This presentation has been prepared by FTI Capital Advisors – Canada ULC and certain of its affiliates (collectively, “FTI”) with the assistance of SaltWire Network Inc. and Halifax Herald Limited (“SaltWire” or the “Company”) for the limited purpose of providing certain updates to the Company’s lender, Fiera Capital Corporation (the “Lender”) and for no other purpose. This presentation does not purport to contain all the information that the Lender may require. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its respective directors, officers, shareholders, advisers, agents, employees, consultants and representatives, including FTI, as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation. The recipient of this presentation agrees that neither the Company nor its respective directors, officers, shareholders, advisers, agents, employees, consultants and representatives, including FTI, have any liability whatsoever resulting from the use of or reliance on the information contained herein or otherwise supplied or resulting from the failure to supply additional information.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so).

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to lend or invest in or to the Company.

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its respective directors, officers, shareholders, employees, advisers, agents, consultants or representatives, including FTI, that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

FTI Capital Advisors (“FTICA”) Process

Process Objectives

- In October 2023, FTICA was engaged by SaltWire to run a recapitalization process to seek proposals to refinance the existing lender and/or provide an investment in the business through a focused and value-maximizing marketing process.
- FTICA’s focus was to solicit interest in the opportunity from various types of investors including: (i) Alternative Credit Funds; (ii) Institutional Banks; (iii) Private Equity Firms across the Canadian and U.S. markets; and (iv) Strategic Parties.
- The broad outreach of the process was designed to create recapitalization options and consider a wide array of potential partners with the goal of allowing the Company to continue as a viable business.
- January 31, 2024 was set as a deadline for Term Sheets and/or Letters of Intent.

Process Outcome

- FTICA contacted **158** parties to solicit interest in the opportunity, with communications going out to a broad range of debt, equity and strategic parties.
- The parties were provided with a non-disclosure agreement (“NDA”) and a teaser with a summary of the opportunity. FTICA held calls with interested parties to provide additional background on the opportunity and to answer any questions that arose.
- Interested parties were required to sign the NDA to receive the Confidential Information Memorandum and further information on the business through a virtual data room. In total there were **40** parties that executed an NDA.
- In February 2024, one (1) party submitted a draft non-binding Letter of Intent.

Summary of Parties Contacted To Date
Total: 158

Total NDAs Executed
Total: 40



Experts with Impact™

Appendix “F”

	16-Mar Week 1	23-Mar Week 2	30-Mar Week 3	6-Apr Week 4	13-Apr Week 5	20-Apr Week 6	27-Apr Week 7	4-May Week 8	Total Weeks 1-8	Notes
SaltWire Network Inc and The Halifax Herald Limited										
Revenue	915,591	915,591	915,591	976,509	976,509	976,509	976,509	979,434	7,632,243	1
Cash Receipts										
Collection of accounts receivable	666,205	744,948	666,205	1,203,798	891,748	956,802	1,084,187	1,198,250	7,412,143	2
HST collected	99,931	111,742	99,931	180,570	133,762	143,520	162,628	179,738	1,111,822	
Total Cash Receipts	766,136	856,690	766,136	1,384,367	1,025,511	1,100,322	1,246,815	1,377,988	8,523,965	
Cash Disbursements - Operational										
Payroll and benefits	80,591	737,806	259,767	784,842	133,942	805,410	258,426	783,403	3,844,189	3
Distribution costs	340,182	179,043	340,182	187,540	356,326	187,540	356,326	186,818	2,133,955	4
Occupancy, repairs and utilities	-	-	-	189,247	-	-	58,000	189,447	436,695	
Printing supplies and inventory	68,205	68,205	68,205	73,044	73,044	73,044	73,044	89,332	586,122	
Operational, office and administration	132,827	132,827	132,827	133,478	133,478	133,478	133,478	138,710	1,071,105	5
Insurance	-	-	28,000	-	-	-	28,000	-	56,000	
Bank charges	-	-	9,668	28,591	-	-	9,530	28,647	76,437	
Vehicle and equipment lease payments	-	-	-	-	10,000	-	-	-	10,000	
Contingency	-	150,000	250,000	100,000	-	-	-	-	500,000	
HST paid on disbursements	30,155	52,655	67,655	161,815	30,978	30,978	39,678	62,623	476,538	
Net HST remittance	-	-	-	-	-	-	161,139	-	161,139	
Total Operational Disbursements	651,960	1,320,536	1,156,304	1,658,558	737,768	1,230,450	1,117,622	1,478,981	9,352,179	
Net Cash from Operations	114,176	(463,846)	(390,168)	(274,190)	287,742	(130,128)	129,193	(100,993)	(828,214)	
Titan Security + Investigations Inc.										
Revenue	68,041	68,041	68,041	68,041	68,041	68,041	68,041	68,041	544,325	6
Cash Receipts										
Collection of accounts receivable	63,928	63,928	63,928	63,928	63,928	63,928	63,928	63,928	511,420	7
HST collected	9,589	9,589	9,589	9,589	9,589	9,589	9,589	9,589	76,713	
Total Cash Receipts	73,517	73,517	73,517	73,517	73,517	73,517	73,517	73,517	588,133	
Cash Disbursements - Operational										
Payroll and benefits	111,074	-	111,074	-	111,074	-	111,074	-	444,298	3
Operational, office and administration	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	12,833	
HST's paid on disbursements	241	241	241	241	241	241	241	241	1,925	
HST remitted	-	-	-	-	-	-	-	28,046	28,046	
Total Operational Disbursements	112,919	1,845	112,919	1,845	112,919	1,845	112,919	29,890	487,101	
Net Cash from Operations	(39,402)	71,672	(39,402)	71,672	(39,402)	71,672	(39,402)	43,626	101,032	
Restructuring & Other Fees										
Monitor and Monitor's counsel fees	-	-	-	250,000	-	-	-	-	250,000	8
Company counsel fees	-	-	-	33,000	-	-	-	-	33,000	8
Chief Restructuring Officer fees	-	-	-	50,000	-	-	-	-	50,000	8
SISP Agent fees	-	-	-	-	-	-	-	-	-	8
DIP Lender's fees	-	-	-	250,000	-	-	-	-	250,000	8
DIP fees and interest	-	-	5,000	10,765	-	-	-	9,836	25,601	9
Total Restructuring Fees	-	-	5,000	593,765	-	-	-	9,836	608,601	
Total Net Cash Flow	74,774	(392,174)	(434,570)	(796,283)	248,340	(58,456)	89,791	(67,203)	(1,335,783)	
Opening Cash Balance	340,121	414,895	22,720	88,150	291,867	540,206	481,750	571,541	340,121	
Total Net Cash Flow	74,774	(392,174)	(434,570)	(796,283)	248,340	(58,456)	89,791	(67,203)	(1,335,783)	
Debtor-in-Possession Financing	-	-	500,000	1,000,000	-	-	-	-	1,500,000	10
Ending Cash Balance	414,895	22,720	88,150	291,867	540,206	481,750	571,541	504,338	504,338	

Notes to Cash Flow Forecast:

Purpose:

This statement of projected cash flow (the "Forecast") has been prepared on a consolidated basis in respect of the CCAA parties, being SaltWire Network Inc., the Halifax Herald Limited, Brace Holdings Limited, Brace Capital Limited, Titan Security + Investigations Inc. and Headline Promotional Products Limited (collectively, the "Companies") in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA") for the period of March 10, 2024 to May 4, 2024 ("Cash Flow Period"). The Forecast is based on probable and hypothetical assumptions that reflect the Companies continued operations, proposed Sales and Investment Solicitation Process ("SISP") and restructuring activities. Management is of the opinion that, as at the date of filing the Forecast, the assumptions used to develop the forecast represent the most probable set of economic conditions facing the Companies and that the assumptions used provide a reasonable basis for and are consistent with the purpose of this Forecast.

Disclaimer:

Management is of the view that the hypothetical assumptions set out in the Notes below are reasonable and consistent with the purpose of the Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Companies and provide a reasonable basis for the Forecast. All such assumptions are disclosed in the Notes below. Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. The Forecast has been prepared solely for the purpose described above, using a set of hypothetical and probable assumptions set out in Notes below. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Notes:

- SaltWire Network Inc. ("SaltWire") and The Halifax Herald Limited (the "Herald") are the main operating entities of the Companies. The Herald operates the Halifax based media and newspaper, The Chronicle Herald. SaltWire operates the media and newspaper for other regional areas within Nova Scotia, Prince Edward Island and Newfoundland and Labrador.
- SaltWire's and the Herald's collection of accounts receivable consists of subscription revenue for print and digital media, flyer and other distribution revenue, advertising and other printing services.
- Payroll and benefits consists of wages, salaries, benefits and pension costs for all employees and executives. All employees and executives of the Companies are projected to be paid in the ordinary course throughout the Cash Flow Period. Included within Weeks 3-18 are certain payments in arrears to Manulife Financial for the employee RRSP benefit and arrears owing to the pension plan.
- Distribution costs includes amounts paid to carriers and other transportation costs.
- Operational, office and administration includes costs related to trucking, service contracts, freelancing, content purchases and general operating consumables.
- Titan Security + Investigations Inc. ("Titan") provides security and nursing home sitter services to its customers.
- Titan's collection of its accounts receivable is considered to be consistent month over month based on the Company's contracts with its customers.
- Restructuring Fees include forecasted fees for the Monitor, Monitor's counsel, the DIP Lender's counsel, Companies' counsel, the SISP Agent and Chief Restructuring Officer estimated based on expected activity during the CCAA proceedings, SISP and restructuring activities of the Companies.
- Represents monthly interest charged at 8% per annum and the commitment fee of 1% payable under the DIP Facility, which will be deducted from the initial advance.
- Reflects projected DIP funding to be provided by the DIP Lender, as defined and pursuant to the terms of the DIP Term Sheet.

Date: March 15/24

SaltWire Group of Companies

A handwritten signature in black ink, appearing to be 'David Boyd', written over a horizontal line.

David Boyd
Chief Restructuring Officer
SaltWire Group of Companies

SUPREME COURT OF NOVA SCOTIA

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION
INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED**

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The management of The Halifax Herald Limited, SaltWire Network Inc., Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited. (the "Companies") has developed the assumptions and prepared the attached statement of projected cash flow as of the 19th day March, 2024 for the period March 9, 2024 to May 4, 2024 ("Cash Flow Forecast"). All such assumptions are disclosed in the notes to the Cash Flow Forecast.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Cash Flow Forecast as described in Note 1 to the Cash Flow Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Companies and provide a reasonable basis for the Cash Flow Forecast.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow Forecast has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Dated at Halifax, NS this 19th day of March, 2024.

**THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC.,
HEADLINE PROMOTIONAL PRODUCTS LIMITED,
TITAN SECURITY & INVESTIGATION INC.,
BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED**



Per: David Boyd

Appendix “G”

SUPREME COURT OF NOVA SCOTIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION
INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED**

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of The Halifax Herald Limited, SaltWire Network Inc., Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited. (the "Companies") as of the 19th day March, 2024, consisting of a projected cash flow statement for the period March 9, 2024 to May 4, 2024 (the "Cash Flow Forecast") has been prepared by the management of the Companies for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Companies. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow Forecast.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 19th day of March, 2024.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS MONITOR OF
THE HALIFAX HERALD LIMITED, SALTWIRE NETWORK INC.,
HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION
INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “H”

**TERMS AND CONDITIONS OF
INTERIM FINANCING CREDIT FACILITY
("Interim Financing Term Sheet")**

As of March 13, 2024

WHEREAS pursuant to a credit agreement dated as of July 19, 2012 (as amended, the "**Herald Credit Agreement**") by and among The Halifax Herald Limited ("**The Herald**"), as borrower, and G.W.D Investments Ltd., Brace Capital Limited, Bounty Print Limited, Brace Properties Limited and Brace Publishing Limited, as guarantors, and Fiera Private Debt Fund III LP ("**Fund III**"), by its general partner, Fiera Private Debt Fund GP Inc., Fund III agreed to establish certain term loan facilities in favour of The Herald;

WHEREAS pursuant to a credit agreement dated as of April 12, 2017 (as amended the "**Saltwire Credit Agreement**") between Saltwire Network Inc. ("**Saltwire**"), as borrower, G.W.D Investments Ltd., Bounty Print Limited, Brace Capital Limited, the Lever Trust, Ms. Dennis, the Dennis Trust, The Herald and Brace Holdings Limited, as guarantors, and Fiera Private Debt Fund V LP, ("**Fund V**") by its general partner, Fiera Private Debt Fund GP Inc., Fund V agreed to establish certain term loan facilities in favour of Saltwire.

AND WHEREAS on March 13, 2024, the Court (defined below) granted the Initial Order (defined below) pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**").

AND WHEREAS the Borrowers require additional financing during the CCAA proceedings;

AND WHEREAS the Interim Lender (as defined below) has agreed, subject to the terms and conditions of this Interim Financing Term Sheet, to provide such financing to the Borrowers in order to fund certain obligations of the Borrowers (as defined hereinafter) prior to and during the CCAA proceedings;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. BORROWERS: The Halifax Herald Limited and Saltwire Network Inc.
2. GUARANTORS: Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited (collectively, the "**Guarantors**" and together with the Borrowers, the "**Credit Parties**").
3. INTERIM LENDER: Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP (collectively, the "**Interim Lender**").
4. INTERIM FINANCING FACILITY: A senior secured super-priority, interim, non-revolving multiple draw credit facility (the "**Interim Facility**") up to a maximum principal amount of \$500,000 (the "**Facility Amount**"), subject to the terms and conditions contained herein.

Advances shall be made available to the Borrowers in \$100,000 increments or such other amounts as may be agreed to by the Interim Lender (each, a "**Advance**") which shall be provided only if the Advance Conditions have been satisfied and / or waived in the sole discretion of the Interim Lender.

Advances under the Interim Facility shall not exceed, in the

aggregate, the Facility Amount.

Each Advance shall be funded upon receipt of a certificate requesting such Advance from the Borrowers in the form attached as Schedule "A" (an "**Advance Request Certificate**"). An Advance Request Certificate shall only be honoured by the Interim Lender provided that the Advance Conditions (as defined in Section 6) are satisfied to the satisfaction of the Interim Lender in its sole discretion, acting reasonably, as of the date on which such Advance Request Certificate is received and remain satisfied on the date of such corresponding Advance.

If the Advance Conditions are satisfied in accordance with the terms herein, each Advance shall be funded to a bank account of the Borrowers within three (3) business days following receipt of an Advance Request Certificate, or such shorter period as the Interim Lender may agree in its sole discretion. The Borrowers' bank account shall not be subject to a blocked account agreement. Advances under the Interim Facility shall be made in Canadian Dollars.

5. PURPOSE AND PERMITTED PAYMENTS:

The Borrowers shall use the proceeds of the Interim Facility solely for the following purposes, in each case in accordance with the Initial Order and cash flow forecast filed in connection with the initial application by the Interim Lender seeking the Initial Order (the "**Cash Flow**"):

- (i) to pay (i) the reasonable and documented legal fees and expenses of the Interim Lender, Resolve Advisory Services Ltd., ("**Resolve**") in its capacity as the proposed Chief Restructuring Officer (the "**CRO**"), and KSV Restructuring Inc. ("**KSV**"), in its capacity as the proposed Monitor (the "**Monitor**") and its legal counsel;
- (ii) to pay the Commitment Fee, such amount to be retained from the initial Advance in accordance with Section 12;
- (iii) to pay the interest, fees and other amounts owing to the Interim Lender under this Interim Financing Term Sheet;
- (iv) to fund, in accordance with the Cash Flow, the Credit Parties' general corporate and working capital purposes, including funding the CCAA proceedings provided that the Interim Facility shall not be used for any other purpose other than in accordance with the Cash Flow except with the prior written consent of the Interim Lender; and
- (v) to fund the enforcement of any of the Interim Lenders' rights and remedies available hereunder or under any ancillary documents related thereto.

6. INITIAL ADVANCE CONDITIONS:

The Interim Lender's agreement to make any Initial Advance under the Interim Facility to the Borrowers is subject to the satisfaction, as determined by the Interim Lender in its sole and absolute discretion, of each of the following additional conditions precedent (collectively, the "**Advance Conditions**"), each of which is for the

benefit of the Interim Lender and may be waived by the Interim Lender:

- (a) The Credit Parties shall have executed and delivered this Interim Financing Term Sheet, and such other documents as the Interim Lender may reasonably require;
- (b) The Borrowers shall have delivered an Advance Request Certificate in respect of such Initial Advance;
- (c) The Supreme Court of Nova Scotia (the "**Court**") shall have executed an Order (the "**Initial Order**") in the CCAA proceedings in form and substance acceptable to the Interim Lender and its legal counsel, which Initial Order shall, among other things: (i) authorize and approve the Interim Facility up to the maximum amount of the Initial Advances; and (ii) grant the Interim Financing Charge (as defined in Section 12) against the Collateral (as defined in section 12) securing all obligations owing by the Credit Parties to the Interim Lender hereunder including, without limitation, all principal, interest and Interim Financing Fees and Expenses (as defined in Section 7) (collectively, the "**Interim Financing Obligations**," which shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender unless otherwise agreed by the Interim Lender;
- (d) The Interim Financing Charge shall be granted priority over all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever ("**Encumbrances**") granted by the Credit Parties against any of the Collateral subject in priority only to: (i) an administrative charge on the Collateral in an aggregate amount not to exceed \$300,000 (the "**Administrative Charge**"); or (ii) valid and enforceable purchase money security interests or true leasing arrangements held by parties not provided with notice of the initial application, provided that the Interim Lender reserves the right to seek further priority at subsequent motions;
- (e) All orders rendered by the Court shall be in form and substance satisfactory to the Interim Lender and its legal counsel;
- (f) The Interim Lender and its counsel shall be satisfied that (i) the entering into of this Interim Financing Term Sheet, the granting of the unlimited guarantee and Interim Lender Charge and the consummation of the transactions contemplated hereby have been approved by the Credit Parties and do not violate any applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any governmental authority having the force of law ("**Applicable Law**") and (ii) service has been effected on a list of parties acceptable to the Interim Lender, which shall include, but not

limited to, all secured creditors of the Credit Parties and the Canada Revenue Agency and any other parties as may be requested by the Interim Lender;

- (g) Resolve shall have been appointed CRO and KSV shall have been appointed as Monitor on such terms and with such authorities as agreed on by the Interim Lender and shall include, without limitation, the express authorization to and shall make themselves available to have direct discussions with the Interim Lender, and the Interim Lender shall be entitled to receive information from the CRO and / or the Monitor as may be requested by the Interim Lender from time to time;
- (h) The Credit Parties, the CRO and the Monitor shall have fully cooperated with, and provided access to any information, including financial information, requested by the Interim Lender;
- (i) The Commitment Fee shall have been paid, or will be paid from the proceeds of the Initial Advance within such period of time as is acceptable to the Interim Lender in its sole and absolute discretion;
- (j) No default or Event of Default has occurred or will occur as a result of the requested Initial Advance.

For greater certainty, the Interim Lender shall not be obligated to make any Advance pursuant to this Interim Financing Term Sheet unless and until all of the foregoing conditions have been satisfied or waived and all of the foregoing documentation and confirmations have been obtained, each in form and content satisfactory to the Interim Lender.

7. COSTS AND EXPENSES:

The Borrowers shall pay all of the Interim Lender's reasonable legal and financial advisor fees and out-of-pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender Charge and / or the CCAA proceedings (collectively, the "**Interim Financing Fees and Expenses**") within 5 business days after presentation of such invoices.

8. REPAYMENT:

The aggregate principal amount owing under the Interim Facility, together with all accrued and unpaid interest, fees and prepayment obligations, if applicable, and all fees, expenses and other amounts incurred by the Interim Lender in connection with the Interim Facility shall be repayable in full on the earlier of:

- (i) the date on which the Interim Lender demands repayment of the Interim Facility upon the occurrence of an Event of Default;
- (ii) the date of the termination of the stay period in the CCAA proceedings or the CCAA proceedings are converted into a bankruptcy or a receivership;

- (iii) the date on which the stay in the CCAA proceedings is lifted, in whole or in part, without the prior written consent of the Interim Lender;
- (iv) the date on which all or substantially all of the Collateral has been sold; and
- (v) the date that is six (6) months following granting of the Initial Order;

(the earliest of such dates being the “**Maturity Date**”).

The Maturity Date may be extended from time to time at the request of the Borrowers and with the prior written consent of the Interim Lender for such period and on such terms and conditions as the Borrowers and the Interim Lender may agree, subject to approval from the Court if so required.

The commitment in respect of the Interim Facility shall expire on the Maturity Date (as may be extended pursuant to the terms hereof) and all amounts outstanding under the Interim Facility shall be repaid in full no later than the Maturity Date (as may be extended pursuant to the terms hereof), without the Interim Lender being required to make demand (or, in the case of clause (i) above, further demand) upon the Borrowers or to give notice that the Interim Facility has expired and the obligations are due and payable.

All payments received by the Interim Lender shall be applied first to any fees due hereunder and out-of-pocket disbursements, then to accrued and unpaid interest and then after all such amounts are paid in full, to principal.

9. PREPAYMENT:

The Borrowers may prepay any amounts outstanding under the Interim Facility, without penalty, at any time prior to the Maturity Date. The Facility Amount shall automatically be reduced by the amount of such prepayment and the amount prepaid may not be subsequently reborrowed.

10. INTEREST RATE:

Interest shall be charged on the aggregate principal amount outstanding of the Interim Facility from the date each such Advance is made, both before and after maturity, demand, default, or judgment until payment in full at an annual rate equal to 8.00%. Interest is calculated on a daily basis and is payable monthly in arrears on the first business day of each month.

11. COMMITMENT FEE:

A commitment fee of 1.00% (\$5,000), plus applicable taxes, is fully earned by the Interim Lender upon execution of this Interim Financing Term Sheet and shall be and deducted from the initial Advance (the “**Commitment Fee**”).

The Credit Parties agree that the aggregate of the interest rate and Commitment Fee do not contravene the *Criminal Code of Canada*.

12. SECURITY:

All Interim Financing Obligations of the Credit Parties under or in connection with the Interim Facility and any of the credit

documentation shall be secured by a Court-ordered Charge (the “**Interim Financing Charge**”) on all present and after-acquired personal and real property of the Credit Parties, in each case of any kind or nature whatsoever and wheresoever situated (collectively, the “**Collateral**”) without the need for any further loan or security documentation or any filings or registrations in any public register or system.

Upon the request of the Interim Lender, the Credit Parties shall enter into such additional security documentation as the Interim Lender, acting reasonably, shall request. The Interim Lender may require or proceed with the execution, filing or recording of registrations or financing statements.

The Guarantors hereby guarantee in favour of the Interim Lender, the payment and performance of all of the Interim Financing Obligations of the Borrowers under or in connection with this Interim Financing Term Sheet.

13. REPRESENTATIONS AND WARRANTIES:

Each Credit Party represents and warrants to the Interim Lender, upon which the Interim Lender is relying in entering into this Interim Financing Term Sheet, that:

- (a) The transactions contemplated by this Interim Financing Term Sheet:
 - (i) are within the corporate power of such Credit Party;
 - (ii) have been duly executed and delivered by or on behalf of such Credit Party;
 - (iii) upon the granting of the Initial Order, shall constitute legal, valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their terms; and
 - (iv) upon the granting of the Initial Order, do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party.

14. AFFIRMATIVE COVENANTS:

Each Credit Party agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the Interim Lender:

- (a) In connection with matters related to the Interim Facility or compliance of such Credit Party with its obligations pursuant to this Interim Financing Term Sheet (i) provide representatives of the Interim Lender and its agents with reasonable access to the books and records, Collateral, financial information and electronic data rooms of or maintained by such Credit Party, and (ii) cause management and legal counsel of the Credit Party, to cooperate with requests for information by the Interim Lender or its legal counsel, in each case subject to

solicitor-client privilege, all Court orders and applicable privacy laws and the Credit Party's confidentiality obligations to third parties;

- (b) Deliver to the Interim Lender the reporting and other information reasonably requested by them from time to time as set out in this Interim Financing Term Sheet;
- (c) Use the proceeds of the Interim Facility only in accordance with Section 5 hereof and in accordance with the restrictions set out herein and pursuant to the Cash Flow;
- (d) Conduct its business, including the making of all payments, in accordance and compliance with the Cash Flow;
- (e) Promptly notify the Interim Lender of the occurrence of any Event of Default and any other event or circumstance that may negatively impact the Cash Flow, including any material change in its contractual arrangements or with relationships with third parties;
- (f) Maintain in good standing at all times all insurance coverage as is customarily carried by companies which are engaged in the same or similar business to the business of the Credit Parties or as otherwise may be required by the Interim Lender; and
- (g) Comply with the CCAA proceedings.

15. NEGATIVE COVENANTS:

Each Credit Party covenants and agrees not to do the following while any obligations hererunder remain outstanding, other than with the prior written consent of the Interim Lender:

- (a) Make any payment of principal or interest in respect of any indebtedness outstanding other than payments authorized by the Initial Order and have been approved by both the Monitor and the CRO;
- (b) Permit any new liens to exist on any of its properties or assets, other than the Encumbrances approved by the Interim Lender, which approved Encumbrances shall include a Directors' Charge (as defined in the Initial Order) in the maximum amount of \$1.075 million which shall rank subordinate to the Interim Financing Charge;
- (c) Disclaim, resiliate or terminate any material contract;
- (d) Terminate the CRO;
- (e) Merge, amalgamate, consolidate, reorganize, or sell any assets outside of the ordinary course of business;
- (f) Make any acquisitions, investments or loans to any party or guarantee the obligations of any party;

- (g) Incur or enter into any debts, liabilities or obligations, including, without limitation, guarantees and contingent obligations, except in the ordinary course of business;
- (h) Make or permit any dividends or distributions (whether by reduction of capital or otherwise) with respect to its shares or directly or indirectly purchase, redeem or otherwise acquire or retire any of its shares;
- (i) Conduct any business or engage in any transaction with an affiliate or non-arm's length person unless such business or transaction is on terms which would apply to an arm's length transaction; and
- (j) Use the proceeds from the Interim Facility for anything other than the purpose as stated herein, and will not be used to repay or refinance existing debt obligations of the Credit Parties, to make shareholder contributions, shareholder loans, loans to parties related to the Credit Parties, to pay interest on shareholder loans, interest on loans to parties related to the Credit Parties, pay management fees, buy back stock, issue stock options, or pay any bonuses or increase executive compensation.

16. CCAA PROCEEDINGS:

The Interim Lender shall be an unaffected creditor for the purpose of the CCAA Proceedings and any plan of arrangement filed therein.

17. EVENTS OF DEFAULT:

The following events shall constitute events of default (each, an "**Event of Default**"):

- (a) If the Borrowers fails to pay to the Interim Lender when due any amount of principal, interest, fees or other amounts under this Interim Financing Term Sheet;
- (b) if the Initial Order is not obtained in form and substance satisfactory to the Interim Lender on or before March 13, 2024,;
- (c) the seeking or support by the Borrowers of any Court order (in the CCAA proceedings or otherwise) to which the Interim Lender, in its sole discretion, does not consent, including, without limitation any proposed CRO other than Resolve and any proposed Monitor other than KSV;
- (d) any breach by any Credit Party in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Interim Financing Term Sheet, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than three (3) business days;
- (e) if the Interim Lender determines, acting reasonably, that a material adverse change has occurred after the date hereof;

- (f) if the Initial Order are varied without the prior written consent of the Interim Lender or any other Order is made which is or may be prejudicial to the Interim Lender's interests;
- (g) if any person challenges the enforceability of any of the rights of the Interim Lender hereunder or pursuant to the DIP Order, and any such challenge has not been dismissed or determined by the Court within 15 days;
- (h) the Interim Lender in good faith and on commercially reasonable grounds believes the prospect of payment of the Interim Facility or any other amounts payable hereunder or the performance of the Borrowers' other obligations hereunder or under any of the security granted in connection herewith is impaired or that any of the assets, properties or undertakings of the Borrowers hereunder or under any security or other document granted in connection herewith is or is about to be placed in jeopardy;
- (i) the stay in the CCAA proceedings is lifted or the CCAA proceedings are terminated or converted to bankruptcy or receivership proceedings or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA proceedings, unless agreed by the DIP Lender, acting reasonably; and
- (j) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of any of the Credit Parties that has not been approved or consented to by the Interim Lender in writing.

18. REMEDIES:

Upon the occurrence and continuance of an Event of Default, the Interim Lender may, upon written notice to the Borrowers and the Monitor:

- (a) terminate the Interim Facility;
- (b) on prior notice to the Borrowers and the service list of no less than three (3) business days, apply to the Court for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrowers or for the appointment of a trustee in bankruptcy of the Borrowers;
- (c) exercise the powers and rights of a secured party under any legislation; and
- (d) exercise all such other rights and remedies under the Interim Financing Term Sheet and Orders of the Court in the CCAA proceedings.

19. INDEMNITY:

Each Credit Party agrees to indemnify and hold harmless each of the Interim Lender and its respective directors, officers, employees, advisors and agents (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding

indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the Interim Facility or this Interim Financing Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, such Credit Party shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (i) to the extent it resulted from the gross negligence, wilful misconduct or intentional breach of such Indemnified Person as finally determined by a court of competent jurisdiction, or (ii) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of such Credit Party.

20. INTERIM LENDER'S APPROVALS:

Any consent, agreement, amendment, approval, waiver or instruction of the Interim Lender to be delivered hereunder, may be delivered by any written instrument, including by way of electronic mail, by legal counsel on behalf of the Interim Lender.

21. NOTICES:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by email to such party at its address set out on its signature page hereof, with a copy to counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.

22. COUNTERPARTS AND SIGNATURES:

This Interim Financing Term Sheet may be executed in any number of counterparts and by facsimile, PDF or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

23. ASSIGNMENT

The Credit Parties (or any of them) shall not assign this Interim Financing Term Sheet or any of the provisions set out herein without the consent of the Interim Lender in its sole and absolute discretion. The Interim Lender may assign or sell its rights or obligations with respect to this Interim Financing Term Sheet to any person without the prior written consent of the Credit Parties.


24. GOVERNING LAW AND JURISDICTION:

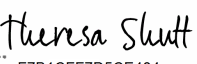
This Interim Financing Term Sheet shall be governed by, and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The parties hereby attorn to the exclusive jurisdiction of the Court.

(Signatures on following page)

IN WITNESS HEREOF, the parties hereby execute this Interim Financing Term Sheet as at the date first above mentioned.


FIERA PRIVATE DEBT FUND III LP,
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**

DocuSigned by:
Per: 
Name: Russell French
ASO


DocuSigned by:
Per: 
Name: Theresa Shutt
ASO

FIERA PRIVATE DEBT FUND V LP,
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**


DocuSigned by:
Per: 
Name: Russell French
ASO

DocuSigned by:
Per: 
Name: Theresa Shutt
ASO


THE HALIFAX HERALD LIMITED

Per: 
Name: DAVID BOYD
Title: CEO

SALTWIRE NETWORK INC.

Per: 
Name: DAVID BOYD
Title: CEO


TITAN SECURITY & INVESTIGATION INC.

Per: 
Name: DAVID BOYD
Title: CEO


BRACE CAPITAL LIMITED

Per: 
Name: DAVID BOYD
Title: CEO

HEADLINE PROMOTIONAL PRODUCTS LIMITED

Per: 
Name: DAVID BOYD
Title: CEO

BRACE HOLDINGS LIMITED

Per: 
Name: DAVID BOYD
Title: CEO

SCHEDULE "A"

ADVANCE REQUEST CERTIFICATE

TO: **FIERA PRIVATE DEBT FUND III LP** and **FIERA PRIVATE DEBT FUND V LP**
(collectively, the "Interim Lender")

TO: **KSV RESTRUCTURING INC.**

FROM: **THE HALIFAX HERALD LIMITED** and **SALTWIRE NETWORK INC.**
(collectively, the "Borrowers")

DATE: ●, 2024

1. This certificate is delivered to you, as Interim Lender, in connection with a request for an Advance pursuant to the Interim Financing Term Sheet made as of March ●, 2024 between the Borrowers, the Interim Lender and the Guarantors with the intervention of the Monitor, as amended, supplemented, restated or replaced from time to time (the "Term Sheet"). All defined terms used, but not otherwise defined in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.
2. The Borrowers hereby request an Advance in an amount of \$● to be made on ●.
3. The representations and warranties set forth in the Term Sheet are and shall be true and accurate.
4. No event has occurred and is continuing which constitutes an Event of Default or which would constitute an Event of Default with the giving of notice or lapse of time or both.
5. All conditions precedent to the requested Advance pursuant to the Term Sheet have been satisfied and all supporting evidence required by the Interim Lender is attached hereto.

THE HALIFAX HERALD LIMITED

Name:
Title:
I have authority to bind the corporation.

SALTWIRE NETWORK INC.

Name:
Title:
I have authority to bind the corporation.

Appendix “I”

**AMENDED & RESTATED TERMS AND CONDITIONS OF
INTERIM FINANCING CREDIT FACILITY
("Interim Financing Term Sheet")**

As of March 22, 2024

WHEREAS pursuant to a credit agreement dated as of July 19, 2012 (as amended, the "**Herald Credit Agreement**") by and among The Halifax Herald Limited ("**The Herald**"), as borrower, and G.W.D Investments Ltd., Brace Capital Limited, Bounty Print Limited, Brace Properties Limited and Brace Publishing Limited, as guarantors, and Fiera Private Debt Fund III LP ("**Fund III**"), by its general partner, Fiera Private Debt Fund GP Inc., Fund III agreed to establish certain term loan facilities in favour of The Herald;

WHEREAS pursuant to a credit agreement dated as of April 12, 2017 (as amended the "**Saltwire Credit Agreement**") between Saltwire Network Inc. ("**Saltwire**"), as borrower, G.W.D Investments Ltd., Bounty Print Limited, Brace Capital Limited, the Lever Trust, Ms. Dennis, the Dennis Trust, The Herald and Brace Holdings Limited, as guarantors, and Fiera Private Debt Fund V LP, ("**Fund V**") by its general partner, Fiera Private Debt Fund GP Inc., Fund V agreed to establish certain term loan facilities in favour of Saltwire.

AND WHEREAS on March 13, 2024, the Court (defined below) granted the Initial Order (defined below) pursuant to the *Companies' Creditors Arrangement Act* ("**CCA**") and scheduled the comeback hearing (the "**Comeback**") on March 22, 2024.

AND WHEREAS pursuant to the Initial Order, KSV Restructuring Inc. was appointed as monitor (the "**Monitor**") in the CCA proceedings.

AND WHEREAS pursuant to the Initial Order, the Court authorized the Borrowers to borrow under a credit facility from the Applicants pursuant to an interim financing term sheet dated as of March 13, 2024 (the "**First Interim Financing Term Sheet**") up to an maximum initial amount of \$500,000 (the "**Initial Interim Amount**") in respect of immediate interim debtor-in-possession funding that may be required prior to the Comeback.

AND WHEREAS in connection with the Comeback, the Applicants, with the consent of the Monitor and the CRO, are seeking the approval of a sale and investment solicitation process ("**SISP**") in respect of the media business of the Borrowers, to be conducted by FTI Capital Advisors – Canada ULC (the "**Financial Advisor**"), substantially the terms attached to the first report of the Monitor dated March 19, 2024 (the "**First Report**").

AND WHEREAS the Borrowers require additional financing during the CCA proceedings.

AND WHEREAS the parties wish to amend and restate the First Interim Financing Term Sheet on the terms and conditions set out in this Interim Financing Term Sheet which include, without limitation, an increase in the maximum borrowing amount under the Interim Facility (defined below) from \$500,000 to \$1,500,000 subject to the approval of the Court on the Comeback and the other conditions set out herein;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. **BORROWERS:** The Halifax Herald Limited and Saltwire Network Inc.
2. **GUARANTORS:** Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited (collectively, the "**Guarantors**" and together with the

Borrowers, the “**Credit Parties**”).

3. INTERIM LENDER: Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP (collectively, the “**Interim Lender**”).

4. INTERIM FINANCING FACILITY: A senior secured super-priority, interim, non-revolving multiple draw credit facility (the “**Interim Facility**”) up to a maximum principal amount of \$1,500,000 (the “**Facility Amount**”), subject to the terms and conditions contained herein.

Advances shall be made available to the Borrowers in \$100,000 increments or such other amounts as may be agreed to by the Interim Lender (each, a “**Advance**”) which shall be provided only if the Advance Conditions have been satisfied and / or waived in the sole discretion of the Interim Lender.

Advances under the Interim Facility shall not exceed, in the aggregate, the Facility Amount.

Each Advance shall be funded upon receipt of a certificate requesting such Advance from the Borrowers in the form attached as Schedule “A” (an “**Advance Request Certificate**”). An Advance Request Certificate shall only be honoured by the Interim Lender provided that the Advance Conditions (as defined in Section 7) are satisfied to the satisfaction of the Interim Lender, acting reasonably, as of the date on which such Advance Request Certificate is received and remain satisfied on the date of such corresponding Advance.

If the Advance Conditions are satisfied in accordance with the terms herein, each Advance shall be funded to a bank account of the Borrowers within three (3) business days following receipt of an Advance Request Certificate, or such shorter period as the Interim Lender may agree in its sole discretion. The Borrowers’ bank account shall not be subject to a blocked account agreement. Advances under the Interim Facility shall be made in Canadian Dollars.

5. PURPOSE AND PERMITTED PAYMENTS: The Borrowers shall use the proceeds of the Interim Facility solely for the following purposes, in each case in accordance with the Initial Order, the ARIO and the revised cash flow attached to the First Report (the “**Cash Flow**”):

- (i) to pay (i) the reasonable and documented legal fees and expenses of the Interim Lender, Resolve Advisory Services Ltd., (“**Resolve**”) in its capacity as the proposed Chief Restructuring Officer (the “**CRO**”), the Monitor and its legal counsel;
- (ii) to pay the reasonable and documented legal fees and expenses of Stewart McKelvey, counsel to the Credit Parties, incurred (A) after March 13, 2024; (B) for services rendered at the instruction of or with the consent of the CRO in connection with the CCAA proceedings provided that such fees and expenses shall not exceed what is provided for in

the Cash Flow for any forecast period;

- (iii) to pay the Commitment Fee, such amount to be paid in accordance with Section 12;
- (iv) to pay the interest, fees and other amounts owing to the Interim Lender under this Interim Financing Term Sheet;
- (v) to fund, in accordance with the Cash Flow, the Credit Parties' general corporate and working capital purposes, including funding the CCAA proceedings and the pursuit of the SISP and any other process for the sale of the other assets or businesses of the Credit Parties, provided that the Interim Facility shall not be used for any other purpose other than in accordance with the Cash Flow except with the prior written consent of the Interim Lender; and
- (vi) to fund the enforcement of any of the Interim Lenders' rights and remedies available hereunder or under any ancillary documents related thereto.

6. BUDGET AND REPORTING COVENANTS:

The Cash Flow shall be the Cash Flow attached to the First Report until such time as a revised Cash Flow has been approved by the Interim Lender and the Monitor accordance with this Section 6.

Every Wednesday, commencing on March 27, 2024, the Borrowers shall, with the assistance of the Monitor, deliver to the Interim Lender a weekly update on the Cash Flow with variance reporting provided for the immediately preceding week and cumulative period (the "**Variance Report**"), certified by the CRO. The Borrowers shall strictly adhere to the Cash Flow in all material respects. Upon the occurrence of a material change, or if there is a material change reasonably anticipated by the Borrowers or the Monitor to any item set forth in the Cash Flow, the Borrowers or the Monitor shall immediately update and propose a revised budget to the Interim Lender for its consent and approval which may be unreasonably withheld.

In addition, the Borrowers, with the assistance of the Monitor, shall deliver to the Interim Lender, in form and substance satisfactory to the Interim Lender, a weekly rolling 13-week cash flow, the whole for visibility purposes.

7. ADVANCE CONDITIONS:

The Interim Lender's agreement to make Advances under the Interim Facility to the Borrowers is subject to the satisfaction, as determined by the Interim Lender in its sole and absolute discretion, of each of the following additional conditions precedent (collectively, the "**Advance Conditions**"), each of which is for the benefit of the Interim Lender and may be waived by the Interim Lender:

- (a) The Credit Parties shall have executed and delivered this Interim Financing Term Sheet, and such other documents as the Interim Lender may reasonably require;

- 4 -

- (b) The Borrowers shall have delivered an Advance Request Certificate in respect of such Advance;
- (c) The Supreme Court of Nova Scotia (the "**Court**") shall have executed an Order (the "**Initial Order**") in the CCAA proceedings in form and substance acceptable to the Interim Lender and its legal counsel, which Initial Order shall, among other things: (i) authorize and approve the Interim Facility up to the maximum amount of the Initial Advances; and (ii) grant the Interim Financing Charge (as defined in Section 13) against the Collateral (as defined in section 13) securing all obligations owing by the Credit Parties to the Interim Lender hereunder including, without limitation, all principal, interest and Interim Financing Fees and Expenses (as defined in Section 8) (collectively, the "**Interim Financing Obligations**", which shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender unless otherwise agreed by the Interim Lender;
- (d) The Court shall have executed an amended and restated initial order (the "**ARIO**") in form and substance acceptable to the Interim Lender and its legal counsel, amending and restating the Initial Order, which shall, among other things: (i) grant the Interim Financing Charge securing the Interim Financing Obligations; and (ii) increasing the maximum borrowing amount to the Facility Amount, which shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender unless otherwise agreed by the Interim Lender;
- (e) The Interim Financing Charge shall be granted priority over all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever ("**Encumbrances**") granted by the Credit Parties against any of the Collateral subject in priority only to: (i) an administrative charge on the Collateral in an aggregate amount not to exceed \$450,000 (the "**Administrative Charge**"); (ii) the Financial Advisor's Charge (as defined in the SISP Order); or (iii) valid and enforceable purchase money security interests or true leasing arrangements held by parties not provided with notice of the initial application, provided that the Interim Lender reserves the right to seek further priority at subsequent motions,;
- (f) The Court shall have granted an order (the "**SISP Order**") approving the terms of the SISP which shall be on terms and conditions satisfactory to the Interim Lender (including with respect to milestones and outside date for completion);
- (g) All orders rendered by the Court shall be in form and substance satisfactory to the Interim Lender and its legal counsel;

- (h) The Interim Lender and its counsel shall be satisfied that (i) the entering into of this Interim Financing Term Sheet, the granting of the unlimited guarantee and Interim Lender Charge and the consummation of the transactions contemplated hereby have been approved by the Credit Parties and do not violate any applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any governmental authority having the force of law (“**Applicable Law**”) and (ii) service has been effected on a list of parties acceptable to the Interim Lender, which shall include, but not limited to, all secured creditors of the Credit Parties and the Canada Revenue Agency and any other parties as may be requested by the Interim Lender;
- (i) Resolve shall have been appointed CRO and KSV shall have been appointed as Monitor on such terms and with such authorities as agreed on by the Interim Lender and shall include, without limitation, the express authorization to and shall make themselves available to have direct discussions with the Interim Lender, and the Interim Lender shall be entitled to receive information from the CRO and / or the Monitor as may be requested by the Interim Lender from time to time;
- (j) Since the granting of the Initial Order, the Credit Parties, the CRO and the Monitor shall have fully cooperated with, and provided access to any information, including financial information, requested by the Interim Lender;
- (k) The Interim Lender shall be satisfied with the Cash Flow;
- (l) The Monitor shall provide its report on the Cash Flow to the Interim Lender and such report shall be satisfactory to the Interim Lender;
- (m) Since the date of the commencement of the CCAA proceedings, there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of an Order of the Court and the aggregate amount of all such pre-filing amounts do not exceed the amount provided for this purpose in the Cash Flow;
- (n) The Interim Lender is satisfied that no change in the business, assets or conditions (financial or otherwise) of the Credit Parties, that will, in the Interim Lender’s judgment acting reasonably, materially further impair the Credit Parties’ financial condition or ability to comply with its obligations under this Interim Financing Term Sheet or any Court order shall have occurred;
- (o) The Interim Lender is satisfied that the Collateral remains sufficient to secure the obligations of the Credit Parties to the

Interim Lender under this Interim Financing Term Sheet, in the Interim Lender's judgment, acting reasonably;

- (p) The Commitment Fee shall have been paid, or will be paid from the proceeds of the first Advance under the DIP Facility within such period of time as is acceptable to the Interim Lender in its sole and absolute discretion;
- (q) The representations and warranties made by (or in respect of) the Credit Parties under this Interim Financing Term Sheet are true and correct in all material respects as of the date of such requested Initial Advance (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and will remain true and correct in all material respects immediately following the making of such Initial Advance;
- (r) No default or Event of Default has occurred or will occur as a result of the requested Advance.

For greater certainty, the Interim Lender shall not be obligated to make any Advance pursuant to this Interim Financing Term Sheet unless and until all of the foregoing conditions have been satisfied or waived and all of the foregoing documentation and confirmations have been obtained, each in form and content satisfactory to the Interim Lender.

8. COSTS AND EXPENSES:

The Borrowers shall pay all of the Interim Lender's reasonable legal and financial advisor fees and out-of-pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender Charge and / or the CCAA proceedings (collectively, the "**Interim Financing Fees and Expenses**") within 5 business days after presentation of such invoices.

9. REPAYMENT:

The aggregate principal amount owing under the Interim Facility, together with all accrued and unpaid interest, fees and prepayment obligations, if applicable, and all fees, expenses and other amounts incurred by the Interim Lender in connection with the Interim Facility shall be repayable in full on the earlier of:

- (i) the date on which the Interim Lender demands repayment of the Interim Facility upon the occurrence of an Event of Default;
- (ii) the date of the termination of the stay period in the CCAA proceedings or the CCAA proceedings are converted into a bankruptcy or a receivership;
- (iii) the date on which the stay in the CCAA proceedings is lifted, in whole or in part, without the prior written consent of the Interim Lender;

- (iv) the date on which all or substantially all of the Collateral has been sold; and
- (v) the date that is six (6) months following granting of the Initial Order;

(the earliest of such dates being the “**Maturity Date**”).

The Maturity Date may be extended from time to time at the request of the Borrowers and with the prior written consent of the Interim Lender for such period and on such terms and conditions as the Borrowers and the Interim Lender may agree, subject to approval from the Court if so required.

The commitment in respect of the Interim Facility shall expire on the Maturity Date (as may be extended pursuant to the terms hereof) and all amounts outstanding under the Interim Facility shall be repaid in full no later than the Maturity Date (as may be extended pursuant to the terms hereof), without the Interim Lender being required to make demand (or, in the case of clause (i) above, further demand) upon the Borrowers or to give notice that the Interim Facility has expired and the obligations are due and payable.

All payments received by the Interim Lender shall be applied first to any fees due hereunder and out-of-pocket disbursements, then to accrued and unpaid interest and then after all such amounts are paid in full, to principal.

10. PREPAYMENT:

The Borrowers may prepay any amounts outstanding under the Interim Facility, without penalty, at any time prior to the Maturity Date. The Facility Amount shall automatically be reduced by the amount of such prepayment and the amount prepaid may not be subsequently reborrowed.

11. INTEREST RATE:

Interest shall be charged on the aggregate principal amount outstanding of the Interim Facility from the date each such Advance is made, both before and after maturity, demand, default, or judgment until payment in full at an annual rate equal to 8.00%. Interest is calculated on a daily basis and is payable monthly in arrears on the first business day of each month.

12. COMMITMENT FEE:

A commitment fee of 1.00% (\$15,000), plus applicable taxes, is fully earned by the Interim Lender upon execution of this Interim Financing Term Sheet and shall be and deducted from first Advance made after the ARIO is granted (the “**Commitment Fee**”) provided that the Commitment Fee in this section shall be reduced by any Commitment Fee already paid on the Initial Interim Amount.

The Credit Parties agree that the aggregate of the interest rate and Commitment Fee do not contravene the *Criminal Code of Canada*.

13. SECURITY:

All Interim Financing Obligations of the Credit Parties under or in connection with the Interim Facility and any of the credit documentation shall be secured by a Court-ordered Charge (the “**Interim Financing Charge**”) on all present and after-acquired

personal and real property of the Credit Parties, in each case of any kind or nature whatsoever and wheresoever situated (collectively, the “**Collateral**”) without the need for any further loan or security documentation or any filings or registrations in any public register or system.

Upon the request of the Interim Lender, the Credit Parties shall enter into such additional security documentation as the Interim Lender, acting reasonably, shall request. The Interim Lender may require or proceed with the execution, filing or recording of registrations or financing statements.

The Guarantors hereby guarantee in favour of the Interim Lender, the payment and performance of all of the Interim Financing Obligations of the Borrowers under or in connection with this Interim Financing Term Sheet.

14. REPRESENTATIONS AND WARRANTIES:

Each Credit Party represents and warrants to the Interim Lender, upon which the Interim Lender is relying in entering into this Interim Financing Term Sheet, that:

- (a) The transactions contemplated by this Interim Financing Term Sheet:
 - (i) are within the corporate power of such Credit Party;
 - (ii) have been duly executed and delivered by or on behalf of such Credit Party;
 - (iii) upon the granting of the Initial Order, shall constitute legal, valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their terms; and
 - (iv) upon the granting of the Initial Order, do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party.
- (b) None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Credit Parties to the Interim Lender and its legal counsel in connection with the negotiation of this Interim Financing Term Sheet or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading;
- (c) Such Credit Party has been duly incorporated and is validly existing under the law of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all

jurisdictions in which the nature of its assets or business makes such qualification necessary;

- (d) Such Credit Party maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contains reasonable coverage and scope;
- (e) Other than as has been disclosed to the Interim Lender, since March 13, 2024, such Credit Party has maintained and paid current its obligations for payroll, source deductions, harmonized, goods and services and retail sales tax, and all other applicable taxes in compliance with the Initial Order;
- (f) No Credit Party is aware of any person with a secured claim against a Credit Party or the Collateral that would rank in priority to or *pari passu* with the Interim Lender's Charge (other than the Administration Charge) or any other security granted hereunder; and
- (g) All payments to shareholders and directors of such Credit Party or any other related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, have been included in the Cash Flow and separately disclosed to the Interim Lender.

15. AFFIRMATIVE COVENANTS:

Each Credit Party agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the Interim Lender:

- (a) In connection with matters related to the Interim Facility or compliance of such Credit Party with its obligations pursuant to this Interim Financing Term Sheet (i) provide representatives of the Interim Lender and its agents with reasonable access to the books and records, Collateral, financial information and electronic data rooms of or maintained by such Credit Party, and (ii) cause management and legal counsel of the Credit Party, to cooperate with requests for information by the Interim Lender or its legal counsel, in each case subject to solicitor-client privilege, all Court orders and applicable privacy laws and the Credit Party's confidentiality obligations to third parties;
- (b) Keep the Interim Lender apprised on a timely basis of all material developments with respect to the business and

affairs of such Credit Party and the CCAA proceedings, including all material matters relating to the SISF or any Transaction;

- (c) Deliver to the Interim Lender the reporting and other information reasonably requested by them from time to time as set out in this Interim Financing Term Sheet including, without limitation, the Variance Reports at the times set out herein;
- (d) Use the proceeds of the Interim Facility only in accordance with Section 5 hereof and in accordance with the restrictions set out herein and pursuant to the Cash Flow;
- (e) Conduct its business, including the making of all payments, in accordance and compliance with the Cash Flow;
- (f) Promptly notify the Interim Lender of the occurrence of any Event of Default and any other event or circumstance that may negatively impact the Cash Flow, including any material change in its contractual arrangements or with relationships with third parties;
- (g) Maintain in good standing at all times all insurance coverage as is customarily carried by companies which are engaged in the same or similar business to the business of the Credit Parties or as otherwise may be required by the Interim Lender;
- (h) Comply with the CCAA proceedings; and
- (i) Provide the Interim Lender's legal counsel with draft copies of any reports or other court materials proposed by the CRO on behalf of the Credit Parties.

16. NEGATIVE COVENANTS:

Each Credit Party covenants and agrees not to do the following while any obligations hererunder remain outstanding, other than with the prior written consent of the Interim Lender:

- (a) Make any payment of principal or interest in respect of any indebtedness outstanding other than payments authorized by the ARIO and have been approved by both the Monitor and the CRO;
- (b) Permit any new liens to exist on any of its properties or assets, other than the Encumbrances approved by the Interim Lender, which approved Encumbrances shall include a Directors' Charge (as defined in the Initial Order) in the maximum amount of \$1.075 million which shall rank subordinate to the Interim Financing Charge;
- (c) Disclaim, resiliate or terminate any material contract;
- (d) Terminate the CRO;

- (e) Merge, amalgamate, consolidate, reorganize, or sell any assets outside of the ordinary course of business other than in accordance with the SISP;
- (f) Make any acquisitions, investments or loans to any party or guarantee the obligations of any party;
- (g) Incur or enter into any debts, liabilities or obligations, including, without limitation, guarantees and contingent obligations, except in the ordinary course of business;
- (h) Make or permit any dividends or distributions (whether by reduction of capital or otherwise) with respect to its shares or directly or indirectly purchase, redeem or otherwise acquire or retire any of its shares;
- (i) Conduct any business or engage in any transaction with an affiliate or non-arm's length person unless such business or transaction is on terms which would apply to an arm's length transaction; and
- (j) Use the proceeds from the Interim Facility for anything other than the purpose as stated herein, and will not be used to repay or refinance existing debt obligations of the Credit Parties, to make shareholder contributions, shareholder loans, loans to parties related to the Credit Parties, to pay interest on shareholder loans, interest on loans to parties related to the Credit Parties, pay management fees, buy back stock, issue stock options, or pay any bonuses or increase executive compensation.

17. CCAA PROCEEDINGS:

The Interim Lender shall be an unaffected creditor for the purpose of the CCAA Proceedings and any plan of arrangement filed therein.

18. EVENTS OF DEFAULT:

The following events shall constitute events of default (each, an "**Event of Default**"):

- (a) If the Borrowers fails to pay to the Interim Lender when due any amount of principal, interest, fees or other amounts under this Interim Financing Term Sheet;
- (b) if the Borrowers deviates from the Cash Flow in any material respect;
- (c) if the Initial Order is not obtained in form and substance satisfactory to the Interim Lender on or before March 13, 2024, and the ARIO, in each case in form and substance satisfactory to the Interim Lender, is not obtained on or before March 22, 2024;
- (d) the seeking or support by the Borrowers of any Court order (in the CCAA proceedings or otherwise) to which the Interim Lender, in its sole discretion, does not consent, including,

without limitation any proposed CRO other than Resolve and any proposed Monitor other than KSV;

- (e) any breach by any Credit Party in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Interim Financing Term Sheet, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than three (3) business days;
- (f) if the Interim Lender determines, acting reasonably, that a material adverse change has occurred after the date hereof;
- (g) if the Initial Order or the ARIO are varied without the prior written consent of the Interim Lender or any other Order is made which is or may be prejudicial to the Interim Lender's interests;
- (h) if any person challenges the enforceability of any of the rights of the Interim Lender hereunder or pursuant to the DIP Order, and any such challenge has not been dismissed or determined by the Court within 15 days;
- (i) the Interim Lender in good faith and on commercially reasonable grounds believes the prospect of payment of the Interim Facility or any other amounts payable hereunder or the performance of the Borrowers' other obligations hereunder or under any of the security granted in connection herewith is impaired or that any of the assets, properties or undertakings of the Borrowers hereunder or under any security or other document granted in connection herewith is or is about to be placed in jeopardy;
- (j) the stay in the CCAA proceedings is lifted or the CCAA proceedings are terminated or converted to bankruptcy or receivership proceedings or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA proceedings, unless agreed by the DIP Lender, acting reasonably;
- (k) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of any of the Credit Parties that has not been approved or consented to by the Interim Lender in writing; and
- (l) the filing of any plan of reorganization, arrangement or liquidation to which the Interim Lender does not consent

19. REMEDIES:

Upon the occurrence and continuance of an Event of Default, the Interim Lender may, upon written notice to the Borrowers and the Monitor:

- (a) terminate the Interim Facility;
- (b) on prior notice to the Borrowers and the service list of no less than three (3) business days, apply to the Court for the

appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrowers or for the appointment of a trustee in bankruptcy of the Borrowers;

- (c) exercise the powers and rights of a secured party under any legislation; and
- (d) exercise all such other rights and remedies under the Interim Financing Term Sheet and Orders of the Court in the CCAA proceedings.

20. INDEMNITY:

Each Credit Party agrees to indemnify and hold harmless each of the Interim Lender and its respective directors, officers, employees, advisors and agents (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the Interim Facility or this Interim Financing Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, such Credit Party shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (i) to the extent it resulted from the gross negligence, wilful misconduct or intentional breach of such Indemnified Person as finally determined by a court of competent jurisdiction, or (ii) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of such Credit Party.

21. INTERIM LENDER'S APPROVALS:

Any consent, agreement, amendment, approval, waiver or instruction of the Interim Lender to be delivered hereunder, may be delivered by any written instrument, including by way of electronic mail, by legal counsel on behalf of the Interim Lender.

22. NOTICES:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by email to such party at its address set out on its signature page hereof, with a copy to counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.

23. COUNTERPARTS AND SIGNATURES:

This Interim Financing Term Sheet may be executed in any number of counterparts and by facsimile, PDF or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

24. ASSIGNMENT

The Credit Parties (or any of them) shall not assign this Interim Financing Term Sheet or any of the provisions set out herein without the consent of the Interim Lender in its sole and absolute discretion. The Interim Lender may assign or sell its rights or obligations with respect to this Interim Financing Term Sheet to any person without the prior written consent of the Credit Parties.


25. GOVERNING LAW AND JURISDICTION:

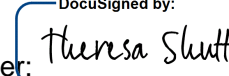
This Interim Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The parties hereby attorn to the exclusive jurisdiction of the Court.

(Signatures on following page)


IN WITNESS HEREOF, the parties hereby execute this Interim Financing Term Sheet as at the date first above mentioned.

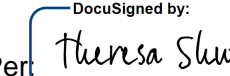
FIERA PRIVATE DEBT FUND III LP,
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**

DocuSigned by:

Per: 6165962494EA41B...
Name: Russell French
ASO

DocuSigned by:

Per: F7B1CFF7D5CE484...
Name: Theresa Shutt
ASO

FIERA PRIVATE DEBT FUND V LP,
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**

DocuSigned by:

Per: 6165962494EA41B...
Name: Russell French
ASO

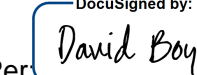
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Per: F7B1CFF7D5CE484...
Name: Theresa Shutt
ASO

THE HALIFAX HERALD LIMITED

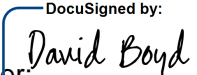
DocuSigned by:

Per: 84448A1D6DB74B6...
Name: David Boyd
Title: CRO

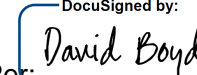
SALTWIRE NETWORK INC.

DocuSigned by:

Per: 84448A1D6DB74B6...
Name: David Boyd
Title: CRO

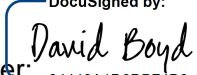
TITAN SECURITY & INVESTIGATION INC.

DocuSigned by:

Per: 84448A1D6DB74B6...
Name: David Boyd
Title: CRO

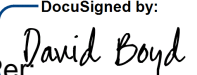
BRACE CAPITAL LIMITED

DocuSigned by:

Per: 84448A1D6DB74B6...
Name: David Boyd
Title: CRO

HEADLINE PROMOTIONAL PRODUCTS LIMITED

DocuSigned by:

Per: 84448A1D6DB74B6...
Name: David Boyd
Title: CRO

BRACE HOLDINGS LIMITED

DocuSigned by:

Per: 84448A1D6DB74B6...
Name: David Boyd
Title: CRO

SCHEDULE "A"

ADVANCE REQUEST CERTIFICATE

TO: **FIERA PRIVATE DEBT FUND III LP and FIERA PRIVATE DEBT FUND V LP**
(collectively, the "Interim Lender")

TO: **KSV RESTRUCTURING INC.**

FROM: **THE HALIFAX HERALD LIMITED and SALTWIRE NETWORK INC.**
(collectively, the "Borrowers")

DATE: ●, 2024

1. This certificate is delivered to you, as Interim Lender, in connection with a request for an Advance pursuant to the Interim Financing Term Sheet made as of March ●, 2024 between the Borrowers, the Interim Lender and the Guarantors with the intervention of the Monitor, as amended, supplemented, restated or replaced from time to time (the "Term Sheet"). All defined terms used, but not otherwise defined in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.
2. The Borrowers hereby request an Advance in an amount of \$● to be made on ●.
3. The representations and warranties set forth in the Term Sheet are and shall be true and accurate.
4. No event has occurred and is continuing which constitutes an Event of Default or which would constitute an Event of Default with the giving of notice or lapse of time or both.
5. All conditions precedent to the requested Advance pursuant to the Term Sheet have been satisfied and all supporting evidence required by the Interim Lender is attached hereto.

THE HALIFAX HERALD LIMITED

Name: David Boyd
Title: CRO
I have authority to bind the corporation.

SALTWIRE NETWORK INC.

Name: David Boyd
Title: CRO
I have authority to bind the corporation.

Appendix “J”

**AMENDED & RESTATED TERMS AND CONDITIONS OF
INTERIM FINANCING CREDIT FACILITY
("Interim Financing Term Sheet")**

As of March ~~13~~22, 2024

WHEREAS pursuant to a credit agreement dated as of July 19, 2012 (as amended, the "**Herald Credit Agreement**") by and among The Halifax Herald Limited ("**The Herald**"), as borrower, and G.W.D Investments Ltd., Brace Capital Limited, Bounty Print Limited, Brace Properties Limited and Brace Publishing Limited, as guarantors, and Fiera Private Debt Fund III LP ("**Fund III**"), by its general partner, Fiera Private Debt Fund GP Inc., Fund III agreed to establish certain term loan facilities in favour of The Herald;

WHEREAS pursuant to a credit agreement dated as of April 12, 2017 (as amended the "**Saltwire Credit Agreement**") between Saltwire Network Inc. ("**Saltwire**"), as borrower, G.W.D Investments Ltd., Bounty Print Limited, Brace Capital Limited, the Lever Trust, Ms. Dennis, the Dennis Trust, The Herald and Brace Holdings Limited, as guarantors, and Fiera Private Debt Fund V LP, ("**Fund V**") by its general partner, Fiera Private Debt Fund GP Inc., Fund V agreed to establish certain term loan facilities in favour of Saltwire.

AND WHEREAS on March 13, 2024, the Court (defined below) granted the Initial Order (defined below) pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**") and scheduled the comeback hearing (the "**Comeback**") on March 22, 2024.

AND WHEREAS pursuant to the Initial Order, KSV Restructuring Inc. was appointed as monitor (the "**Monitor**") in the CCAA proceedings.

AND WHEREAS the pursuant to the Initial Order, the Court authorized the Borrowers to borrow under a credit facility from the Applicants pursuant to an interim financing term sheet dated as of March 13, 2024 (the "**First Interim Financing Term Sheet**") up to a maximum initial amount of \$500,000 (the "**Initial Interim Amount**") in respect of immediate interim debtor-in-possession funding that may be required prior to the Comeback.

AND WHEREAS in connection with the Comeback, the Applicants, with the consent of the Monitor and the CRO, are seeking the approval of a sale and investment solicitation process ("**SISP**") in respect of the media business of the Borrowers, to be conducted by FTI Capital Advisors – Canada ULC (the "**Financial Advisor**"), substantially the terms attached to the first report of the Monitor dated March 19, 2024 (the "**First Report**").

AND WHEREAS the Borrowers require additional financing during the CCAA proceedings;

AND WHEREAS ~~the parties wish to amend and restate the First Interim Lender (as defined below) has agreed, subject to Financing Term Sheet on the terms and conditions of set out in this Interim Financing Term Sheet, to provide such financing to the Borrowers in order to fund certain obligations of the Borrowers (as defined hereinafter) prior to and during the CCAA proceedings; which include, without limitation, an increase in the maximum borrowing amount under the Interim Facility (defined below) from \$500,000 to \$1,500,000 subject to the approval of the Court on the Comeback and the other conditions set out herein;~~

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. BORROWERS: The Halifax Herald Limited and Saltwire Network Inc.
2. GUARANTORS: Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited (collectively, the "**Guarantors**" and together with the Borrowers, the "**Credit Parties**").

3. INTERIM LENDER: Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP (collectively, the “**Interim Lender**”).

4. INTERIM FINANCING FACILITY: A senior secured super-priority, interim, non-revolving multiple draw credit facility (the “**Interim Facility**”) up to a maximum principal amount of \$1,500,000 (the “**Facility Amount**”), subject to the terms and conditions contained herein.

Advances shall be made available to the Borrowers in \$100,000 increments or such other amounts as may be agreed to by the Interim Lender (each, a “**Advance**”) which shall be provided only if the Advance Conditions have been satisfied and / or waived in the sole discretion of the Interim Lender.

Advances under the Interim Facility shall not exceed, in the aggregate, the Facility Amount.

Each Advance shall be funded upon receipt of a certificate requesting such Advance from the Borrowers in the form attached as Schedule “A” (an “**Advance Request Certificate**”). An Advance Request Certificate shall only be honoured by the Interim Lender provided that the Advance Conditions (as defined in Section 67) are satisfied to the satisfaction of the Interim Lender ~~in its sole discretion~~, acting reasonably, as of the date on which such Advance Request Certificate is received and remain satisfied on the date of such corresponding Advance.

If the Advance Conditions are satisfied in accordance with the terms herein, each Advance shall be funded to a bank account of the Borrowers within three (3) business days following receipt of an Advance Request Certificate, or such shorter period as the Interim Lender may agree in its sole discretion. The Borrowers’ bank account shall not be subject to a blocked account agreement. Advances under the Interim Facility shall be made in Canadian Dollars.

5. PURPOSE AND PERMITTED PAYMENTS: The Borrowers shall use the proceeds of the Interim Facility solely for the following purposes, in each case in accordance with the Initial Order ~~and cash flow forecast filed in connection with the initial application by the Interim Lender seeking the Initial Order, the ARIO and the revised cash flow attached to the First Report~~ (the “**Cash Flow**”):

(i) to pay (i) the reasonable and documented legal fees and expenses of the Interim Lender, Resolve Advisory Services Ltd., (“**Resolve**”) in its capacity as the proposed Chief Restructuring Officer (the “**CRO**”), ~~and KSV Restructuring Inc. (“KSV”), in its capacity as the proposed~~the Monitor ~~(the “Monitor”)~~ and its legal counsel;

(ii) to pay the reasonable and documented legal fees and expenses of Stewart McKelvey, counsel to the Credit Parties, incurred (A) after March 13, 2024; (B) for services rendered at the instruction of or with the consent of the CRO in connection with the CCAA proceedings provided that such fees and expenses shall not exceed what is provided for in the Cash Flow for any forecast period;

- (iii) ~~(ii)~~ to pay the Commitment Fee, such amount to be ~~retained from the initial Advance~~ paid in accordance with Section 12;
- (iv) ~~(iii)~~ to pay the interest, fees and other amounts owing to the Interim Lender under this Interim Financing Term Sheet;
- (v) ~~(iv)~~ to fund, in accordance with the Cash Flow, the Credit Parties' general corporate and working capital purposes, including funding the CCAA proceedings and the pursuit of the SISP and any other process for the sale of the other assets or businesses of the Credit Parties, provided that the Interim Facility shall not be used for any other purpose other than in accordance with the Cash Flow except with the prior written consent of the Interim Lender; and
- (vi) ~~(v)~~ to fund the enforcement of any of the Interim Lenders' rights and remedies available hereunder or under any ancillary documents related thereto.

6. BUDGET AND REPORTING COVENANTS:

The Cash Flow shall be the Cash Flow attached to the First Report until such time as a revised Cash Flow has been approved by the Interim Lender and the Monitor accordance with this Section 6.

Every Wednesday, commencing on March 27, 2024, the Borrowers shall, with the assistance of the Monitor, deliver to the Interim Lender a weekly update on the Cash Flow with variance reporting provided for the immediately preceding week and cumulative period (the "Variance Report"), certified by the CRO. The Borrowers shall strictly adhere to the Cash Flow in all material respects. Upon the occurrence of a material change, or if there is a material change reasonably anticipated by the Borrowers or the Monitor to any item set forth in the Cash Flow, the Borrowers or the Monitor shall immediately update and propose a revised budget to the Interim Lender for its consent and approval which may be unreasonably withheld.

In addition, the Borrowers, with the assistance of the Monitor, shall deliver to the Interim Lender, in form and substance satisfactory to the Interim Lender, a weekly rolling 13-week cash flow, the whole for visibility purposes.

7. ~~6. INITIAL ADVANCE~~ CONDITIONS:

The Interim Lender's agreement to make ~~any Initial Advances~~ under the Interim Facility to the Borrowers is subject to the satisfaction, as determined by the Interim Lender in its sole and absolute discretion, of each of the following additional conditions precedent (collectively, the "**Advance Conditions**"), each of which is for the benefit of the Interim Lender and may be waived by the Interim Lender:

- (a) The Credit Parties shall have executed and delivered this Interim Financing Term Sheet, and such other documents as the Interim Lender may reasonably require;
- (b) The Borrowers shall have delivered an Advance Request Certificate in respect of such ~~Initial Advance~~;
- (c) The Supreme Court of Nova Scotia (the "**Court**") shall have executed an Order (the "**Initial Order**") in the CCAA proceedings in form and substance acceptable to the Interim

Lender and its legal counsel, which Initial Order shall, among other things: (i) authorize and approve the Interim Facility up to the maximum amount of the Initial Advances; and (ii) grant the Interim Financing Charge (as defined in Section 123) against the Collateral (as defined in section 123) securing all obligations owing by the Credit Parties to the Interim Lender hereunder including, without limitation, all principal, interest and Interim Financing Fees and Expenses (as defined in Section 78) (collectively, the “**Interim Financing Obligations**”, which shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender unless otherwise agreed by the Interim Lender;

- (d) The Court shall have executed an amended and restated initial order (the “**ARIO**”) in form and substance acceptable to the Interim Lender and its legal counsel, amending and restating the Initial Order, which shall, among other things: (i) grant the Interim Financing Charge securing the Interim Financing Obligations; and (ii) increasing the maximum borrowing amount to the Facility Amount, which shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender unless otherwise agreed by the Interim Lender;
- (e) ~~(e)~~ The Interim Financing Charge shall be granted priority over all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever (“**Encumbrances**”) granted by the Credit Parties against any of the Collateral subject in priority only to: (i) an administrative charge on the Collateral in an aggregate amount not to exceed \$30450,000 (the “**Administrative Charge**”); ~~or~~ (ii) the Financial Advisor’s Charge (as defined in the SISP Order); or (iii) valid and enforceable purchase money security interests or true leasing arrangements held by parties not provided with notice of the initial application, provided that the Interim Lender reserves the right to seek further priority at subsequent motions;
- (f) The Court shall have granted an order (the “**SISP Order**”) approving the terms of the SISP which shall be on terms and conditions satisfactory to the Interim Lender (including with respect to milestones and outside date for completion);
- (g) ~~(e)~~ All orders rendered by the Court shall be in form and substance satisfactory to the Interim Lender and its legal counsel;
- (h) ~~(f)~~ The Interim Lender and its counsel shall be satisfied that (i) the entering into of this Interim Financing Term Sheet, the granting of the unlimited guarantee and Interim Lender Charge and the consummation of the transactions contemplated hereby have been approved by the Credit Parties and do not violate any applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any governmental authority having the force of law (“**Applicable Law**”) and (ii) service has been

effected on a list of parties acceptable to the Interim Lender, which shall include, but not limited to, all secured creditors of the Credit Parties and the Canada Revenue Agency and any other parties as may be requested by the Interim Lender;

(i) ~~(g)~~ Resolve shall have been appointed CRO and KSV shall have been appointed as Monitor on such terms and with such authorities as agreed on by the Interim Lender and shall include, without limitation, the express authorization to and shall make themselves available to have direct discussions with the Interim Lender, and the Interim Lender shall be entitled to receive information from the CRO and / or the Monitor as may be requested by the Interim Lender from time to time;

(j) Since the granting of the Initial Order, the Credit Parties, the CRO and the Monitor shall have fully cooperated with, and provided access to any information, including financial information, requested by the Interim Lender;

(k) The Interim Lender shall be satisfied with the Cash Flow;

(l) The Monitor shall provide its report on the Cash Flow to the Interim Lender and such report shall be satisfactory to the Interim Lender;

(m) Since the date of the commencement of the CCAA proceedings, there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of an Order of the Court and the aggregate amount of all such pre-filing amounts do not exceed the amount provided for this purpose in the Cash Flow;

(n) The Interim Lender is satisfied that no change in the business, assets or conditions (financial or otherwise) of the Credit Parties, that will, in the Interim Lender's judgment acting reasonably, materially further impair the Credit Parties' financial condition or ability to comply with its obligations under this Interim Financing Term Sheet or any Court order shall have occurred;

(o) The Interim Lender is satisfied that the Collateral remains sufficient to secure the obligations of the Credit Parties to the Interim Lender under this Interim Financing Term Sheet, in the Interim Lender's judgment, acting reasonably;

~~(h) The Credit Parties, the CRO and the Monitor shall have fully cooperated with, and provided access to any information, including financial information, requested by the Interim Lender;~~

(p) ~~(i)~~ The Commitment Fee shall have been paid, or will be paid from the proceeds of the ~~Initial~~first Advance under the DIP Facility within such period of time as is acceptable to the Interim Lender in its sole and absolute discretion;

(q) The representations and warranties made by (or in respect of) the Credit Parties under this Interim Financing Term Sheet are true and correct in all material respects as of the date of such requested Initial Advance (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and will remain true and correct in all material respects immediately following the making of such Initial Advance;

(r) ~~(r)~~ No default or Event of Default has occurred or will occur as a result of the requested ~~Initial~~ Advance.

For greater certainty, the Interim Lender shall not be obligated to make any Advance pursuant to this Interim Financing Term Sheet unless and until all of the foregoing conditions have been satisfied or waived and all of the foregoing documentation and confirmations have been obtained, each in form and content satisfactory to the Interim Lender.

8. ~~7.~~ COSTS AND EXPENSES:

The Borrowers shall pay all of the Interim Lender's reasonable legal and financial advisor fees and out-of-pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender Charge and / or the CCAA proceedings (collectively, the "**Interim Financing Fees and Expenses**") within 5 business days after presentation of such invoices.

9. ~~8.~~ REPAYMENT:

The aggregate principal amount owing under the Interim Facility, together with all accrued and unpaid interest, fees and prepayment obligations, if applicable, and all fees, expenses and other amounts incurred by the Interim Lender in connection with the Interim Facility shall be repayable in full on the earlier of:

- (i) the date on which the Interim Lender demands repayment of the Interim Facility upon the occurrence of an Event of Default;
- (ii) the date of the termination of the stay period in the CCAA proceedings or the CCAA proceedings are converted into a bankruptcy or a receivership;
- (iii) the date on which the stay in the CCAA proceedings is lifted, in whole or in part, without the prior written consent of the Interim Lender;
- (iv) the date on which all or substantially all of the Collateral has been sold; and
- (v) the date that is six (6) months following granting of the Initial Order;

(the earliest of such dates being the "**Maturity Date**").

The Maturity Date may be extended from time to time at the request of the Borrowers and with the prior written consent of the Interim Lender for such period and on such terms and conditions as the Borrowers and the Interim Lender may agree, subject to approval

from the Court if so required.

The commitment in respect of the Interim Facility shall expire on the Maturity Date (as may be extended pursuant to the terms hereof) and all amounts outstanding under the Interim Facility shall be repaid in full no later than the Maturity Date (as may be extended pursuant to the terms hereof), without the Interim Lender being required to make demand (or, in the case of clause (i) above, further demand) upon the Borrowers or to give notice that the Interim Facility has expired and the obligations are due and payable.

All payments received by the Interim Lender shall be applied first to any fees due hereunder and out-of-pocket disbursements, then to accrued and unpaid interest and then after all such amounts are paid in full, to principal.

10. ~~9.~~PREPAYMENT:

The Borrowers may prepay any amounts outstanding under the Interim Facility, without penalty, at any time prior to the Maturity Date. The Facility Amount shall automatically be reduced by the amount of such prepayment and the amount prepaid may not be subsequently reborrowed.

11. ~~10.~~INTEREST RATE:

Interest shall be charged on the aggregate principal amount outstanding of the Interim Facility from the date each such Advance is made, both before and after maturity, demand, default, or judgment until payment in full at an annual rate equal to 8.00%. Interest is calculated on a daily basis and is payable monthly in arrears on the first business day of each month.

12. ~~11.~~COMMITMENT FEE:

A commitment fee of 1.00% (\$15,000), plus applicable taxes, is fully earned by the Interim Lender upon execution of this Interim Financing Term Sheet and shall be and deducted from ~~the initial~~first Advance made after the ARIO is granted (the "**Commitment Fee**") provided that the Commitment Fee in this section shall be reduced by any Commitment Fee already paid on the Initial Interim Amount.

The Credit Parties agree that the aggregate of the interest rate and Commitment Fee do not contravene the *Criminal Code of Canada*.

13. ~~12.~~SECURITY:

All Interim Financing Obligations of the Credit Parties under or in connection with the Interim Facility and any of the credit documentation shall be secured by a Court-ordered Charge (the "**Interim Financing Charge**") on all present and after-acquired personal and real property of the Credit Parties, in each case of any kind or nature whatsoever and wheresoever situated (collectively, the "**Collateral**") without the need for any further loan or security documentation or any filings or registrations in any public register or system.

Upon the request of the Interim Lender, the Credit Parties shall enter into such additional security documentation as the Interim Lender, acting reasonably, shall request. The Interim Lender may require or proceed with the execution, filing or recording of registrations or financing statements.

The Guarantors hereby guarantee in favour of the Interim Lender, the payment and performance of all of the Interim Financing Obligations of the Borrowers under or in connection with this Interim Financing

Term Sheet.

14. ~~13.~~ REPRESENTATIONS AND WARRANTIES:

Each Credit Party represents and warrants to the Interim Lender, upon which the Interim Lender is relying in entering into this Interim Financing Term Sheet, that:

- (a) The transactions contemplated by this Interim Financing Term Sheet:
 - (i) are within the corporate power of such Credit Party;
 - (ii) have been duly executed and delivered by or on behalf of such Credit Party;
 - (iii) upon the granting of the Initial Order, shall constitute legal, valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their terms; and
 - (iv) upon the granting of the Initial Order, do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party.
- (b) None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Credit Parties to the Interim Lender and its legal counsel in connection with the negotiation of this Interim Financing Term Sheet or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading;
- (c) Such Credit Party has been duly incorporated and is validly existing under the law of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;
- (d) Such Credit Party maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contains reasonable coverage and scope;
- (e) Other than as has been disclosed to the Interim Lender, since March 13, 2024, such Credit Party has maintained and paid current its obligations for payroll, source deductions, harmonized, goods and services and retail sales tax, and all other applicable taxes in compliance with the Initial Order;

(f) No Credit Party is aware of any person with a secured claim against a Credit Party or the Collateral that would rank in priority to or *pari passu* with the Interim Lender's Charge (other than the Administration Charge) or any other security granted hereunder; and

(g) All payments to shareholders and directors of such Credit Party or any other related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, have been included in the Cash Flow and separately disclosed to the Interim Lender.

15. ~~14.~~ AFFIRMATIVE COVENANTS:

Each Credit Party agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the Interim Lender:

(a) In connection with matters related to the Interim Facility or compliance of such Credit Party with its obligations pursuant to this Interim Financing Term Sheet (i) provide representatives of the Interim Lender and its agents with reasonable access to the books and records, Collateral, financial information and electronic data rooms of or maintained by such Credit Party, and (ii) cause management and legal counsel of the Credit Party, to cooperate with requests for information by the Interim Lender or its legal counsel, in each case subject to solicitor-client privilege, all Court orders and applicable privacy laws and the Credit Party's confidentiality obligations to third parties;

(b) Keep the Interim Lender apprised on a timely basis of all material developments with respect to the business and affairs of such Credit Party and the CCAA proceedings, including all material matters relating to the SISP or any Transaction;

(c) ~~(b)~~ Deliver to the Interim Lender the reporting and other information reasonably requested by them from time to time as set out in this Interim Financing Term Sheet including, without limitation, the Variance Reports at the times set out herein;

(d) ~~(e)~~ Use the proceeds of the Interim Facility only in accordance with Section 5 hereof and in accordance with the restrictions set out herein and pursuant to the Cash Flow;

(e) ~~(d)~~ Conduct its business, including the making of all payments, in accordance and compliance with the Cash Flow;

(f) ~~(e)~~ Promptly notify the Interim Lender of the occurrence of any Event of Default and any other event or circumstance that may negatively impact the Cash Flow, including any material change in its contractual arrangements or with

relationships with third parties;

- (g) ~~(f)~~ Maintain in good standing at all times all insurance coverage as is customarily carried by companies which are engaged in the same or similar business to the business of the Credit Parties or as otherwise may be required by the Interim Lender; ~~and~~
- (h) ~~(g)~~ Comply with the CCAA proceedings; and
- (i) Provide the Interim Lender's legal counsel with draft copies of any reports or other court materials proposed by the CRO on behalf of the Credit Parties.

16. ~~15.~~ NEGATIVE COVENANTS:

Each Credit Party covenants and agrees not to do the following while any obligations hererunder remain outstanding, other than with the prior written consent of the Interim Lender:

- (a) Make any payment of principal or interest in respect of any indebtedness outstanding other than payments authorized by the ~~Initial Order~~ ARIO and have been approved by both the Monitor and the CRO;
- (b) Permit any new liens to exist on any of its properties or assets, other than the Encumbrances approved by the Interim Lender, which approved Encumbrances shall include a Directors' Charge (as defined in the Initial Order) in the maximum amount of \$1.075 million which shall rank subordinate to the Interim Financing Charge;
- (c) Disclaim, resiliate or terminate any material contract;
- (d) Terminate the CRO;
- (e) Merge, amalgamate, consolidate, reorganize, or sell any assets outside of the ordinary course of business other than in accordance with the SISP;
- (f) Make any acquisitions, investments or loans to any party or guarantee the obligations of any party;
- (g) Incur or enter into any debts, liabilities or obligations, including, without limitation, guarantees and contingent obligations, except in the ordinary course of business;
- (h) Make or permit any dividends or distributions (whether by reduction of capital or otherwise) with respect to its shares or directly or indirectly purchase, redeem or otherwise acquire or retire any of its shares;
- (i) Conduct any business or engage in any transaction with an affiliate or non-arm's length person unless such business or transaction is on terms which would apply to an arm's length transaction; and
- (j) Use the proceeds from the Interim Facility for anything other than the purpose as stated herein, and will not be used to repay or refinance existing debt obligations of the Credit Parties, to make shareholder contributions, shareholder

loans, loans to parties related to the Credit Parties, to pay interest on shareholder loans, interest on loans to parties related to the Credit Parties, pay management fees, buy back stock, issue stock options, or pay any bonuses or increase executive compensation.

17. ~~16.~~ CCAA PROCEEDINGS:

The Interim Lender shall be an unaffected creditor for the purpose of the CCAA Proceedings and any plan of arrangement filed therein.

18. ~~17.~~ EVENTS OF DEFAULT:

The following events shall constitute events of default (each, an “Event of Default”):

- (a) If the Borrowers fails to pay to the Interim Lender when due any amount of principal, interest, fees or other amounts under this Interim Financing Term Sheet;
- (b) if the Borrowers deviates from the Cash Flow in any material respect;
- (c) ~~(b)~~ if the Initial Order is not obtained in form and substance satisfactory to the Interim Lender on or before March 13, 2024, and the ARIO, in each case in form and substance satisfactory to the Interim Lender, is not obtained on or before March 22, 2024;
- (d) ~~(e)~~ the seeking or support by the Borrowers of any Court order (in the CCAA proceedings or otherwise) to which the Interim Lender, in its sole discretion, does not consent, including, without limitation any proposed CRO other than Resolve and any proposed Monitor other than KSV;
- (e) ~~(d)~~ any breach by any Credit Party in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Interim Financing Term Sheet, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than three (3) business days;
- (f) ~~(e)~~ if the Interim Lender determines, acting reasonably, that a material adverse change has occurred after the date hereof;
- (g) ~~(f)~~ if the Initial Order or the ARIO are varied without the prior written consent of the Interim Lender or any other Order is made which is or may be prejudicial to the Interim Lender’s interests;
- (h) ~~(g)~~ if any person challenges the enforceability of any of the rights of the Interim Lender hereunder or pursuant to the DIP Order, and any such challenge has not been dismissed or determined by the Court within 15 days;
- (i) ~~(h)~~ the Interim Lender in good faith and on commercially reasonable grounds believes the prospect of payment of the Interim Facility or any other amounts payable hereunder or the performance of the Borrowers’ other obligations hereunder or under any of the security granted in connection herewith is impaired or that any of the assets, properties or undertakings of the Borrowers hereunder or under any security or other document granted in connection herewith is or is about to be

placed in jeopardy;

- (j) ~~(j)~~ the stay in the CCAA proceedings is lifted or the CCAA proceedings are terminated or converted to bankruptcy or receivership proceedings or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA proceedings, unless agreed by the DIP Lender, acting reasonably; ~~and~~
- (k) ~~(k)~~ the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of any of the Credit Parties that has not been approved or consented to by the Interim Lender in writing; ~~and~~
- (l) the filing of any plan of reorganization, arrangement or liquidation to which the Interim Lender does not consent

19. ~~18.~~ REMEDIES:

Upon the occurrence and continuance of an Event of Default, the Interim Lender may, upon written notice to the Borrowers and the Monitor:

- (a) terminate the Interim Facility;
- (b) on prior notice to the Borrowers and the service list of no less than three (3) business days, apply to the Court for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrowers or for the appointment of a trustee in bankruptcy of the Borrowers;
- (c) exercise the powers and rights of a secured party under any legislation; and
- (d) exercise all such other rights and remedies under the Interim Financing Term Sheet and Orders of the Court in the CCAA proceedings.

20. ~~19.~~ INDEMNITY:

Each Credit Party agrees to indemnify and hold harmless each of the Interim Lender and its respective directors, officers, employees, advisors and agents (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the Interim Facility or this Interim Financing Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, such Credit Party shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (i) to the extent it resulted from the gross negligence, wilful misconduct or intentional breach of such Indemnified Person as finally determined by a court of competent jurisdiction, or (ii) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of such Credit Party.

21. ~~20.~~ INTERIM LENDER'S APPROVALS:

Any consent, agreement, amendment, approval, waiver or instruction of the Interim Lender to be delivered hereunder, may be delivered by any written instrument, including by way of electronic mail, by legal counsel on behalf of the Interim Lender.

22. ~~21.~~ NOTICES:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by email to such party at its address set out on its signature page hereof, with a copy to counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.

23. ~~22.~~ COUNTERPARTS AND SIGNATURES:

This Interim Financing Term Sheet may be executed in any number of counterparts and by facsimile, PDF or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

24. ~~23.~~ ASSIGNMENT

The Credit Parties (or any of them) shall not assign this Interim Financing Term Sheet or any of the provisions set out herein without the consent of the Interim Lender in its sole and absolute discretion. The Interim Lender may assign or sell its rights or obligations with respect to this Interim Financing Term Sheet to any person without the prior written consent of the Credit Parties.

25. ~~24.~~ GOVERNING LAW AND JURISDICTION:

This Interim Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The parties hereby attorn to the exclusive jurisdiction of the Court.

(Signatures on following page)

IN WITNESS HEREOF, the parties hereby execute this Interim Financing Term Sheet as at the date first above mentioned.

FIERA PRIVATE DEBT FUND III LP,
by its general partner, **FIERA PRIVATE DEBT
FUND GP INC.**

Per: _____
Name: Russell French
ASO

Per: _____
Name: ~~Brian Ke~~[Theresa Shutt](#)
ASO

FIERA PRIVATE DEBT FUND V LP,
by its general partner, **FIERA PRIVATE DEBT
FUND GP INC.**

Per: _____
Name: Russell French
ASO

Per: _____
Name: ~~Brian Ke~~[Theresa Shutt](#)
ASO

THE HALIFAX HERALD LIMITED

Per: _____
Name: [David Boyd](#)
Title: [CRO](#)

SALTWIRE NETWORK INC.

Per: _____
Name: [David Boyd](#)
Title: [CRO](#)

TITAN SECURITY & INVESTIGATION INC.

Per: _____
Name: [David Boyd](#)
Title: [CRO](#)

BRACE CAPITAL LIMITED

Per: _____
Name: [David Boyd](#)
Title: [CRO](#)

**HEADLINE PROMOTIONAL PRODUCTS
LIMITED**

Per: _____
Name: [David Boyd](#)
Title: [CRO](#)

BRACE HOLDINGS LIMITED

Per: _____
Name: [David Boyd](#)
Title: [CRO](#)

SCHEDULE "A"

ADVANCE REQUEST CERTIFICATE

TO: **FIERA PRIVATE DEBT FUND III LP and FIERA PRIVATE DEBT FUND V LP**
(collectively, the "Interim Lender")

TO: **KSV RESTRUCTURING INC.**

FROM: **THE HALIFAX HERALD LIMITED and SALTWIRE NETWORK INC.**
(collectively, the "Borrowers")

DATE: ●, 2024

1. This certificate is delivered to you, as Interim Lender, in connection with a request for an Advance pursuant to the Interim Financing Term Sheet made as of March ●, 2024 between the Borrowers, the Interim Lender and the Guarantors with the intervention of the Monitor, as amended, supplemented, restated or replaced from time to time (the "Term Sheet"). All defined terms used, but not otherwise defined in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.
2. The Borrowers hereby request an Advance in an amount of \$● to be made on ●.
3. The representations and warranties set forth in the Term Sheet are and shall be true and accurate.
4. No event has occurred and is continuing which constitutes an Event of Default or which would constitute an Event of Default with the giving of notice or lapse of time or both.
5. All conditions precedent to the requested Advance pursuant to the Term Sheet have been satisfied and all supporting evidence required by the Interim Lender is attached hereto.

THE HALIFAX HERALD LIMITED

Name: [David Boyd](#)

Title: [CRO](#)

I have authority to bind the corporation.

SALTWIRE NETWORK INC.

Name: [David Boyd](#)

Title: [CRO](#)

I have authority to bind the corporation.