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 Affidavit[1] 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 below[2]. 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 $300,000[3]. 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, 2024[4], the Media Companies owed Canada Revenue Agency ("CRA") approximately $7 million[5], 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.

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[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 <u>prior</u> 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 Facility[7]

## 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.

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

f) <u>Maturity date:</u> 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) <u>Interest rate:</u> 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) <u>Commitment fee</u>: 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) <u>Security:</u> 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 <u>two days</u> 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 “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 Date 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

**CONSENT**

**KSV RESTRUCTURING INC.** hereby consents to act as the court-appointed monitor 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, in connection with the proceedings pursuant to the *Companies' Creditors Arrangement Act* and pursuant to the terms of an order substantially in the form filed.

DATED AT TORONTO, ONTARIO this 8th day of March, 2024

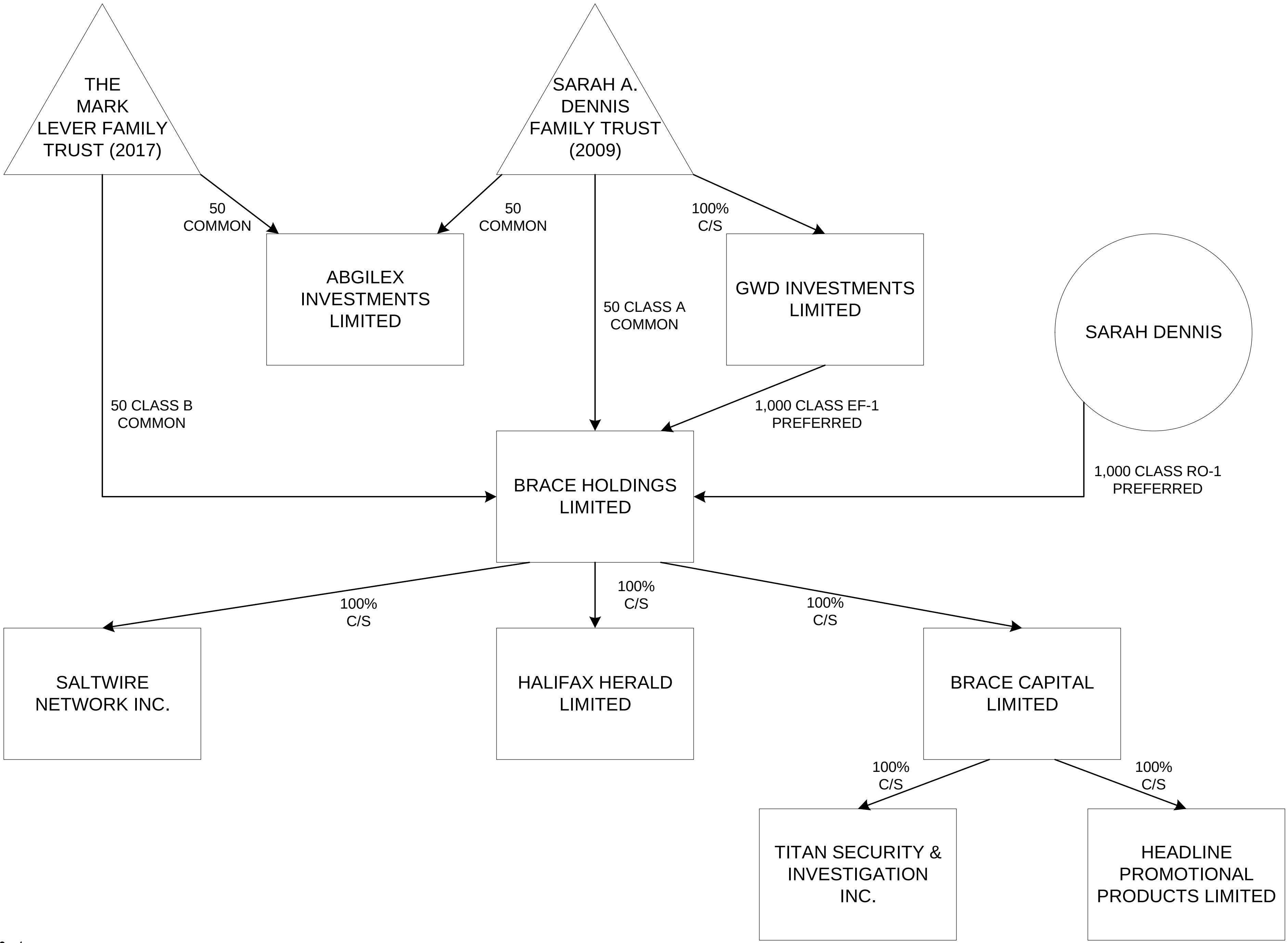
**KSV RESTRUCTURING INC.**

Per:

Name: Bobby Kofman
Title: President and Managing Director

# Appendix “B”

CORPORATE CHART




4136-7202-1319 v1

# Appendix “C”

# TITAN SECURITY & INVESTIGATION INC.
## Balance Sheet

| | As at 12/31/2023 | |
|---|---|---|
| **ASSET** | | |
| | | |
| **Current Assets** | | |
| Petty Cash | 144.75 | |
| TD Bank-5420-5260481 | 162,380.38 | |
| Total Cash | | 162,525.13 |
| Accounts Receivable | 531,450.64 | |
| Other Receivable | 60,318.50 | |
| Total Receivable | | 591,769.14 |
| Prepaid Expenses | | 12,248.16 |
| Deposits | | 6,000.00 |
| GIC Investment | | 11,000.00 |
| Loan to Headline | | 229,466.79 |
| Loan to Saltwire | | 276,699.00 |
| Loan to Chronicle | | 44,262.21 |
| Acc. Interest on Loan to Headline | | 8,922.93 |
| Inventory | | 10,517.42 |
| **Total Current Assets** | | 1,353,410.78 |
| | | |
| **Capital Assets** | | |
| Furniture & Equipment | 1,860.54 | |
| Accum. Amort. -Furn. & Equip. | -1,860.54 | |
| Net - Furniture & Equipment | | 0.00 |
| Vehicle | 31,228.75 | |
| Accum. Amort. -Vehicle | -9,368.64 | |
| Net - Vehicle | | 21,860.11 |
| Computer | 8,860.38 | |
| Accum. Amort - Computer | -8,860.38 | |
| Net - Computer | | 0.00 |
| Website | 3,250.00 | |
| Accum. Amort - Website | -2,437.50 | |
| Net - Website | | 812.50 |
| Security Vests | 272.00 | |
| Accum. Amort - Security Equipment | -272.00 | |
| Net - Security Equipment | | 0.00 |
| **Total Capital Assets** | | 22,672.61 |
| | | |
| **TOTAL ASSETS** | | 1,376,083.39 |

**LIABILITY**

| | | |
|---|---|---|
| **Current Liabilities** | | |
| Accounts Payable | | 29,938.17 |
| Other Payable | | 9,107.48 |
| Accrued Liab Payroll Benefits | | -2,435.13 |
| Accrued Liabilities Payroll | | 0.00 |
| TD Business Cash Back Visa- 853576 | | 964.79 |
| Federal Income Tax Payable | 0.00 | |
| Total Receiver General | | 0.00 |
| GST/HST Charged on Sales | 137,495.33 | |
| GST/HST Paid on Purchases | -28,792.91 | |
| GST/HST Adjustments | 76,746.94 | |
| GST/HST Owing (Refund) | | 185,449.36 |
| Deposits - Uniform | | 10,190.99 |
| **Total Current Liabilities** | | 233,215.66 |
| | | |
| **Long Term Liabilities** | | |
| Investment from Brace | | 25,000.00 |
| Vehicle Loan from Steele Hyndai | | 23,431.22 |
| Loan from Brace Capital | | -49,110.90 |
| Due from the Chronicle Herald | | 383,560.00 |
| Loan to Saltwire | | 0.00 |
| **Total Long Term Liabilities** | | 382,880.32 |
| | | |
| **TOTAL LIABILITY** | | 616,095.98 |

**EQUITY**

| | | |
|---|---|---|
| **Retained Earnings** | | |
| Retained Earnings - Previous Year | | 119,127.25 |
| Current Earnings | | 640,860.16 |
| **Total Retained Earnings** | | 759,987.41 |
| | | |
| **TOTAL EQUITY** | | 759,987.41 |
| | | |
| **LIABILITIES AND EQUITY** | | 1,376,083.39 |

## Headline Promotional Products
## Balance Sheet

| | As at 12/31/2023 | |
|---|---|---|
| **ASSET** | | |
| | | |
| **Current Assets** | | |
| Petty Cash at Headline | 310.00 | |
| $CDN Bank Account | 14,139.90 | |
| Total Cash | | 14,449.90 |
| Visa Receivable | 0.00 | |
| MasterCard Receivable | 0.00 | |
| Total Credit Card Receivables | | 0.00 |
| Accounts Receivable | 91,181.07 | |
| Subscriptions receivable | 10.00 | |
| Total Receivable | | 91,191.07 |
| Prepayments | | 376.71 |
| GIC Investment | | 11,000.00 |
| Prepaid Expenses | | 0.00 |
| **Total Current Assets** | | 117,017.68 |
| | | |
| **Inventory Assets** | | |
| Inventory Warehouse | | 18,676.72 |
| Inventory Branded Online Store | | 2,886.97 |
| Inventory Samples | | 3,213.39 |
| Inventory / In-Transit COS | | 13,350.85 |
| Inventory Production | | 15,221.93 |
| Inventory Hurricanes Store | | 4,830.69 |
| **Total Inventory Assets** | | 58,180.55 |
| | | |
| **Capital Assets** | | |
| Fixed Asset | 11,382.12 | |
| Accum. Depreciation Fixed Asset | -11,382.12 | |
| Finance Agreement Embroidery | 80,342.05 | |
| Accum. Depreciation Embroidery | -80,342.05 | |
| Lease Brother GTX | 38,755.00 | |
| Accum. Depreciation Brother | -38,755.00 | |
| Net - Furniture & Equipment | | 0.00 |
| Computer | 1,854.47 | |
| Accum. Amort. - Computer | -1,854.47 | |
| Net - Computer | | 0.00 |
| **Total Capital Assets** | | 0.00 |
| **Other Assets** | | |
| Goodwill | | 1.00 |
| **Total Other Assets** | | 1.00 |
| **TOTAL ASSET** | | 175,199.23 |

**LIABILITY**

**Current Liabilities**

| | | |
|---|---|---|
| Accounts Payable | | 498,784.86 |
| Other Payable | | 4,145.70 |
| Accrued Liab - Employee Benefits | | 46,666.74 |
| Accrued Wages | | 763.24 |
| TD Visa Payable Ian- 186133 | | 8,369.41 |
| TD Visa Payable Angela- 590856 | | 0.00 |
| GST/HST Charged on Sales | 46,229.01 | |
| GST/HST Paid on Purchases | -48,846.84 | |
| GST/HST Owing (Refund) | | -2,617.83 |
| Prepaid Sales & Deposits | | 20,464.39 |
| **Total Current Liabilities** | | 576,576.51 |

**Long Term Liabilities**

| | |
|---|---|
| Accrued Liab Commision Payroll | 35,072.72 |
| Accrued Liab Fundraiser/Cust Payout | 11,188.88 |
| Due to Saltwire Network | 12,000.00 |
| Due to Titan | 229,466.79 |
| Due to Brace Capital Limited | 345,693.59 |
| Int Accrued on Loan from Brace Cap | 25,462.02 |
| Int Accrued on Loan from Titan Sec | 8,922.93 |
| **Total Long Term Liabilities** | 667,806.93 |

| | |
|---|---|
| **TOTAL LIABILITY** | 1,244,383.44 |

**EQUITY**

**Owners Equity**

| | |
|---|---|
| Common Shares | 10.00 |
| Share Capital 1,000 Class RO-1 Pref | 1.00 |
| Contributed Surplus | 47,264.06 |
| Retained Earnings - Previous Year | -813,133.92 |
| Current Earnings | -303,325.35 |
| **Total Owners Equity** | -1,069,184.21 |

| | |
|---|---|
| **TOTAL EQUITY** | -1,069,184.21 |
| **LIABILITIES AND EQUITY** | 175,199.23 |

# Appendix “D”

**SaltWire Group of Companies**
**13 Week Cash Flow Projection**
**Beginning the week Ending March 3, 2024**

| | 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 | 11-May Week 9 | 18-May Week 10 | 25-May Week 11 | 1-Jun Week 12 | 8-Jun Week 13 | Total Weeks 1-13 | 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** | **979,434** | **979,434** | **979,434** | **1,034,902** | **1,034,902** | **12,640,349** | **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 | 750,190 | 814,199 | 944,334 | 1,057,037 | 1,057,037 | 12,034,941 | **2** |
| HST collected | 99,931 | 111,742 | 99,931 | 180,570 | 133,762 | 143,520 | 162,628 | 179,738 | 112,529 | 122,130 | 141,650 | 158,556 | 158,556 | 1,805,241 | |
| **Total Cash Receipts** | **766,136** | **856,690** | **766,136** | **1,384,367** | **1,025,511** | **1,100,322** | **1,246,815** | **1,377,988** | **862,719** | **936,328** | **1,085,984** | **1,215,593** | **1,215,593** | **13,840,182** | |
| **Cash Disbursements - Operational** | | | | | | | | | | | | | | | |
| Payroll and benefits | 80,591 | 737,806 | 259,767 | 784,842 | 133,942 | 805,410 | 258,426 | 783,403 | 132,703 | 783,406 | 225,566 | 764,613 | 80,591 | 5,831,070 | **3** |
| Distribution costs | 340,182 | 179,043 | 340,182 | 187,540 | 356,326 | 187,540 | 356,326 | 186,818 | 354,954 | 186,818 | 354,954 | 175,771 | 413,063 | 3,619,514 | **4** |
| Occupancy, repairs and utilities | - | - | 63,400 | 189,247 | - | - | 58,000 | 189,447 | - | - | 55,000 | 191,897 | - | 746,992 | |
| Printing supplies and inventory | 68,205 | 68,205 | 68,205 | 73,044 | 73,044 | 73,044 | 73,044 | 89,332 | 89,332 | 89,332 | 89,332 | 79,451 | 79,451 | 1,013,018 | |
| Operational, office and administration | 132,827 | 132,827 | 132,827 | 118,478 | 133,478 | 118,478 | 133,478 | 123,710 | 138,710 | 123,710 | 138,710 | 175,440 | 160,440 | 1,763,115 | **5** |
| Insurance | - | - | 28,000 | - | - | - | 28,000 | - | - | - | 28,000 | - | - | 84,000 | |
| Bank charges | - | - | 9,668 | 28,591 | - | - | 9,530 | 28,647 | - | - | 9,549 | 29,397 | - | 115,383 | |
| Vehicle and equipment lease payments | - | - | - | - | 10,000 | - | - | - | 10,000 | - | - | - | 10,000 | 30,000 | |
| Contingency | 40,417 | 72,662 | 58,633 | 89,813 | 45,941 | 76,991 | 59,592 | 91,088 | 47,170 | 76,912 | 58,572 | 92,077 | 52,048 | 861,919 | **6** |
| HST paid on disbursements | 36,217 | 41,054 | 52,960 | 106,250 | 40,869 | 42,527 | 48,617 | 96,312 | 41,282 | 48,743 | 51,242 | 80,830 | 68,308 | 755,211 | |
| Net HST remittance | - | - | 397,763 | - | - | - | 382,353 | - | - | - | 382,217 | - | - | 1,162,332 | |
| **Total Operational Disbursements** | **698,440** | **1,231,598** | **1,411,405** | **1,577,805** | **793,601** | **1,303,990** | **1,407,367** | **1,588,757** | **814,151** | **1,308,921** | **1,393,142** | **1,589,477** | **863,902** | **15,982,554** | |
| **Net Cash from Operations** | **67,696** | **(374,908)** | **(645,269)** | **(193,438)** | **231,910** | **(203,667)** | **(160,552)** | **(210,769)** | **48,568** | **(372,592)** | **(307,158)** | **(373,884)** | **351,691** | **(2,142,373)** | |
| **Titan Security + Investigations Inc.** | | | | | | | | | | | | | | | |
| **Revenue** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **68,041** | **884,528** | **7** |
| **Cash Receipts** | | | | | | | | | | | | | | | |
| Collection of accounts receivable | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 63,928 | 831,058 | **8** |
| HST collected | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 9,589 | 124,659 | |
| **Total Cash Receipts** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **73,517** | **955,716** | |
| **Cash Disbursements - Operational** | | | | | | | | | | | | | | | |
| Payroll and benefits | 111,074 | - | 111,074 | - | 111,074 | - | 111,074 | - | 111,074 | - | 111,074 | - | 111,074 | 777,521 | **3** |
| Operational, office and administration | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 1,604 | 20,853 | |
| HST's paid on disbursements | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 3,128 | |
| HST remitted | - | - | - | - | - | - | - | 121,531 | - | - | - | - | - | 121,531 | |
| **Total Operational Disbursements** | **112,919** | **1,845** | **112,919** | **1,845** | **112,919** | **1,845** | **112,919** | **123,375** | **112,919** | **1,845** | **112,919** | **1,845** | **112,919** | **923,033** | |
| **Net Cash from Operations** | **(39,402)** | **71,672** | **(39,402)** | **71,672** | **(39,402)** | **71,672** | **(39,402)** | **(49,859)** | **(39,402)** | **71,672** | **(39,402)** | **71,672** | **(39,402)** | **32,684** | |
| **Restructuring & Other Fees** | | | | | | | | | | | | | | | |
| Monitor and Monitor's counsel fees | - | - | - | 189,750 | - | - | - | 80,500 | - | - | - | - | 95,450 | 365,700 | **9** |
| Company counsel fees | - | - | - | 33,000 | - | - | - | 33,000 | - | - | - | - | 33,000 | 99,000 | **9** |
| Chief Restructuring Officer fees | - | - | 30,000 | - | 20,000 | - | - | 20,000 | - | 20,000 | - | - | 20,000 | 110,000 | **9, 10** |
| Litigation counsel fees | - | - | - | 15,000 | - | 15,000 | - | 15,000 | - | 15,000 | - | - | 15,000 | 75,000 | **9** |
| **Total Restructuring Fees** | **-** | **-** | **30,000** | **237,750** | **20,000** | **15,000** | **-** | **148,500** | **-** | **35,000** | **-** | **-** | **163,450** | **649,700** | |
| **Total Net Cash Flow** | **28,294** | **(303,236)** | **(714,671)** | **(359,516)** | **172,507** | **(146,995)** | **(199,954)** | **(409,128)** | **9,165** | **(335,920)** | **(346,560)** | **(302,212)** | **148,839** | **(2,759,389)** | |
| **Opening Cash Balance** | **300,000** | **328,294** | **25,057** | **2,060,386** | **1,700,870** | **1,873,378** | **1,726,382** | **1,526,428** | **1,117,300** | **1,126,465** | **790,545** | **443,985** | **141,772** | **300,000** | |
| Total Net Cash Flow | 28,294 | (303,236) | (714,671) | (359,516) | 172,507 | (146,995) | (199,954) | (409,128) | 9,165 | (335,920) | (346,560) | (302,212) | 148,839 | (2,759,389) | |
| Debtor-in-Possession Financing | - | - | 2,750,000 | - | - | - | - | - | - | - | - | - | - | 2,750,000 | **11** |
| **Ending Cash Balance** | **328,294** | **25,057** | **2,060,386** | **1,700,870** | **1,873,378** | **1,726,382** | **1,526,428** | **1,117,300** | **1,126,465** | **790,545** | **443,985** | **141,772** | **290,611** | **290,611** | |

**Notes to Cash Flow Forecast:**

**Purpose:**

This statement of projected cash flow ("**Initial Forecast**") has been prepared on a consolidated basis of all applicant 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 June 8, 2024 ("**Cash Flow Period**"). The Company has prepared the Initial Forecast 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 Initial Forecast, the assumptions used to develop the Initial 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 Initial Forecast.

Brace Holdings Limited and Brace Capital Limited are parent companies to the other applicants and will not have any cash activity during the Cash Flow Period. Headline Promotional Products Limited is also assumed to have no material cash activity during the Cash Flow Period.

**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 Initial Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Companies and provide a reasonable basis for the Initial 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 Initial 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:**

**1.** 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 regiona areas within Nova Scotia, Prince Edward Island and Newfoundland and Labrador.
**2.** 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
**3.** Payroll and benefits consists of wages, salaries, benefits and pension costs for all employees and executives. All employees and executives of the Companies will be paid in the ordinary course throughout the Cash Flow Period. Included within Weeks 3-12 are payments in arrears to Manulife Financial for the employee RRSP benefit and arrears owing to the pension plan, totaling $465K.
**4.** Distribution costs includes amounts paid to carriers and other transportation costs.
**5.** Operational, office and administration includes costs related to trucking, service contracts, freelancing, content purchases and general operating consumables
**6.** Contingency has been estimated at 5% of cash disbursements, prior to professional fees, to account for operational variances within the Cash Flow Period.
**7.** Titan Security + Investigations Inc. ("**Titan**") is a smaller operating entity within the Companies, providing security and nursing home sitter services to its customers.
**8.** Titan's collection of its accounts receivable is considered to be consistent month over month given signed customer contracts through the Cash Flow Period.
**9.** Restructuring Fees include forecasted fees at standard rates for the Proposed Monitor, Proposed Monitor's counsel, Company counsel and Chief Restructuring Officer estimated based on expected activity during the CCAA proceedings, SISP and restructuring activities of the Companies.
**10.** The Companies are requesting of the Court to approve the appointment of a Chief Restructuring Officer throughout the CCAA proceedings. Details regarding this request is discussed further within the Proposed Monitor's Pre-Filing Repor
**11.** The Companies intend to request of the Court to approve a Debtor-in-Possession financing facility during the Comeback Hearing, should the Court grant the Initial Order. Details regarding this request is discussed further within the Proposed Monitor's Pre-Filing Repor

Date: **SaltWire Group of Companies**

Chace Hynes
Chief Financial Officer
SaltWire Group of Companies

# Appendix “E”

## Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
## Current as at December 27, 2023

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment ($MM) | Fees | Interest Rate | Notes |
|---|---|---|---|---|---|---|---|---|---|---|
| Candesto Enterprises Corp. et al. | Durisol Ltd. | CCAA | A&M | 20-Dec-23 | Alberta | Professional Services | 1.30 | | 8.5% | |
| Duvaltex Inc. | Wells Fargo | CCAA | EY | 14-Dec-23 | Quebec | Manufacturing | 14.00 | Engagement fee of $75,000 | Basic rate plus 2.5% | |
| Mastermind GP Inc. | CIBC | CCAA | | 23-Nov-23 | Ontario | Retail | 36.25 | Forbearance fee of of 1.25% of the outstanding balance under the CIBC Revolving Loan Facility and the BCAP Loan | CIBC's prime interest rate plus 0.75% | CIBC was the company's existing lender and agreed to forbear and provide a DIP loan |
| Tergeo Mineraux Critiques Inc. et al. | Investissement Québec | CCAA | Raymond Chabot | 10-Nov-23 | Quebec | Mining | 2.60 | Commitment fee of 3% | 18.0% | |
| MAV Beauty Brands Inc. et al. | RBC as administrative agent | CCAA | A&M | 14-Nov-23 | Ontario | Distribution | 3.90 | Reasonable fees and expenses of the DIP lender | SOFR plus 5.1% | |
| Simply Green Home Services Inc., Crown Crest Capital Management Corp., et al. | Peoples Trust Company | CCAA | KPMG | 09-Nov-23 | Ontario | Professional Services | 15.00 | Commitment fee of $150,000 | 9.5% | |
| Harbour Grace Ocean Enterprises Ltd. and Laurenceton Holdings Ltd. | Gray Enterprise Ltd. | CCAA | PwC | 02-Nov-23 | Newfoundland | Construction | 1.00 | Commitment fee of 1.5% | 13.0% | |
| South Shore Seafoods Ltd. et al. | TD Bank | CCAA | Deloitte | 21-Sep-23 | New Brunswick | Distribution | 10.00 | - | Prime rate or US base rate plus 1% | |
| Datatax Business Services Limited | BMO | NOI | KPMG | 14-Aug-23 | Alberta | Professional Services | 16.25 | - | Prime plus 1.15% | |
| Quebec Parmentier Inc. et al. | Caisse Desjardins de la RiveNord du Saguenay | CCAA | MNP | 10-Oct-23 | Quebec | Distribution | 2.25 | unclear | unclear | |
| Tacora Resources Inc. | Cargill, Incorporated | CCAA | FTI | 10-Oct-23 | Ontario | Mining | 75.00 | Exit fee of $2,250,000 (3%) | 10.0% | |
| Quality Sterling Group | Ironbridge Equity Partners | CCAA | RSM | 17-Aug-23 | Ontario | Other | 7.00 | Reasonable fees and expenses of the DIP lender | 12.0% | |
| Aventura Phase VII Inc. et al. | TBD | CCAA | Raymond Chabot | 28-Aug-23 | Quebec | Real Estate / Construction | 6.00 | unclear | unclear | It appears the DIP loan was approved in advance, prior to locating a DIP lender |
| Ideal Protein Group | BMO & Caisse Desjardins as agents | CCAA | EY | 15-Aug-23 | Quebec | Manufacturing | 4.00 | - | same interest rate as existing term loan | |
| Aereus Technologies Inc. | 1000608245 Ontario Inc. | NOI | Farber | 31-Jul-23 | Ontario | Manufacturing | 0.78 | Commitment fee of $16,400 (2%) | 15.0% | |
| Lighthouse Immersive Inc. and Lighthouse Immersive USA Inc. | SCS Finance, Inc. | CCAA | B. Riley Farber | 27-Jul-23 | Ontario | Entertainment | US 3.5 | Reasonable fees and expenses of the DIP lender | 10.0% | |
| NextPoint Financial Inc. et al. | BP Commercial Funding Trust and Drake Enterprises Ltd. | CCAA | FTI | 25-Jul-23 | British Columbia | Financial Services | 25.00 | Commitment fee of 1% | SOFR plus 6.5% | |
| Aleafia Health Inc. et al. | Red White & Bloom Brands Inc. | CCAA | KSV | 25-Jul-23 | Ontario | Cannabis | 6.60 | Commitment fee of $198,000 (3%) | 12.5% | |
| Bron Media Corp. et al. | Creative Wealth Media Lending LP 2016 | CCAA | Grant Thornton | 19-Jul-23 | British Columbia | Media | 6.20 | Commitment fee of $124,000 (2%) | 15.0% | |
| Gesco Industries Inc., Gesco GP ULC and Tierra Sol Ceramic Tile Ltd. | BNS | CCAA | PwC | 19-May-23 | Ontario | Manufacturing & Distributio | 8.60 | Commitment fee of $50,000; reasonable fees and expenses of DIP lender | Prime plus 6% | |
| Joseph Richard Hospitality Group Ltd. et al. | Canadian Western Bank | CCAA | EY | 17-Jul-23 | British Columbia | Food & Accommodation | 0.50 | - | Prime plus 5%; default interest rate of prime plus 10% | |
| OGEN Ltd. and OGEN Holdings Ltd. | Hawksworth Holdings Ltd. and G. Edwards Holdings Ltd. | NOI | KSV | 26-Jun-23 | Alberta | Cannabis | 0.50 | - | 15.0% | |

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|---|---|---|---|---|---|---|---|---|---|---|
| Dynaleo Inc. and Dynaleo Group Services Inc. | Travelers Capital Corp. | NOI | Harris & Partners | 23-May-23 | Alberta | Cannabis | 0.15 | (a) commitment fee of 4.25%; (b) standby charge on the unused portion of the Interim Loan Facility equal to 3.5% per annum multiplied by the difference between $150,000 and the amounts outstanding under the Interim Loan Facility; and (c) break fee of 5.0% of $150,000 if an alternative DIP loan is approved | 1225.0% | |
| Swarmio Inc. et al. | Triaxcess Ltd. | CCAA | Grant Thornton | 21-Jun-23 | Ontario | Technology | 1.50 | Commitment fee of $28,000 (2%); reasonable fees and expenses of DIP lender | 12.0% | |
| Fire & Flower Holding Corp. | 2707031 Ontario Inc. | CCAA | FTI | 05-Jun-23 | Ontario | Cannabis | 9.80 | Exit fee of $400,000; reasonable fees and expenses of the DIP lender | 12.0% | |
| Ébénisterie St-Urbain Ltée et Woodlore International Inc. | 9414-0050 Québec inc. | CCAA | Raymond Chabot | 12-May-23 | Quebec | Manufacturing | 0.70 | | Basic rate increased by 1% annually, payable monthly | |
| Plant-Based Investment Corp. | 1000492681 Ontario Inc. | CCAA | Spergel | 01-May-23 | Ontario | Financial Services | 0.50 | Commitment fee of $10,000; reasonable fees and expenses of DIP lender | 12.0% | |
| Phoena Holdings Inc. et al | Cortland Credit Lending Corporation | CCAA | EY | 04-Apr-23 | Ontario | Cannabis | 3.10 | Commitment fee of $62,000; reasonable fees and expenses of DIP lender | Prime plus 20% | |
| J.W. Carr Holdings Ltd. et al. | MGB Investments Ltd. | CCAA | EY | 20-Apr-23 | Alberta | Real Estate | 2.70 | Closing fee of $25,000; undrawn amount fee of 2% per annum on undrawn amounts | 12.0% | |
| GreenSpace Brands Inc. | Pivot Financial I Limited Partnership Inc. | CCAA | PwC | 06-Apr-23 | Ontario | Food & Accommodation | 2.60 | Upfront fee of $10,000, reasonable fees and expenses of the DIP lender | 14.0% | |
| FlexITy Solutions Inc. and FlexITy Holdings Inc. | BHG-BC Holdings Ltd. | NOI | Farber | 27-Mar-23 | Ontario | Technology | 1.10 | Commitment fee of 2.5% | 14.7% | |
| Donmar Properties Ltd. and 10058984 Manitoba Ltd. | Morcourt Properties Ltd. | CCAA | EY | 18-Apr-23 | Manitoba | Real Estate | 0.76 | | 8.0% | |
| Rambler Metals and Mining Canada Inc. and 1948565 Ontario Inc. | RMM Debt Limited Partnership | CCAA | Grant Thornton | 27-Feb-23 | Newfoundland | Mining | US 5 | Standby fee of 2.5% | 17.0% | |
| B.S.K. Group Inc. | 4300769 Canada Inc. | NOI | EY | 03-Mar-23 | Quebec | Retail | 0.60 | | | |
| LoyaltyOne Co. (dba AIR MILES®) | BMO | CCAA | KSV | 10-Mar-23 | Ontario | Other | US 70 | Upfront fee of 2% and standby fee of 1.25% | Currently 14.25%, being the Base Rate (currently 8.25%) plus 6% | |
| Dynamic Technologies Inc. et al. | Promising Experts Limited | CCAA | FTI | 09-Mar-23 | Alberta | Professional Services | 2.60 | Reasonable fees and expenses of the lender | 12.0% | |
| Polar Window of Canada Ltd. et al. | TD Bank | CCAA | Deloitte | 10-Feb-23 | Manitoba | Distribution | 1.20 | 35,000 facility fee | | |
| Tehama Inc. | 14667913 Canada Inc. | CCAA | Deloitte | 20-Jan-23 | Ontario | Technology | 0.50 | Reasonable fees and expenses of the lender | 5.0% | |
| Groupe Vertendre | Immofinn SEC | CCAA | Raymond Chabot | 20-Jan-23 | Quebec | Real Estate | 0.25 | | | |
| Forex Inc. et al. | Les Placements Al-Vi Inc. | CCAA | PwC | 07-Feb-23 | Quebec | Manufacturing | 10.63 | Reasonable fees and expenses of the lender | 10.0% | |
| Acerus Pharmaceuticals Corporation et al. | First Generation Capital Inc. | CCAA | EY | 26-Jan-23 | Ontario | Healthcare | 7.00 | Reasonable fees and expenses of the lender | 8.0% | |

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| Laboratoires Bodycad Inc. | Sante BB inc. | CCAA | Raymond Chabot | 22-Dec-22 | Quebec | Healthcare | 2.16 | Unclear - materials not available | Unclear - materials not available | |
| Payslate Inc. | Ayrshire Real Estate Management Inc. | NOI | Grant Thornton | 05-Dec-22 | British Columbia | Technology | 1.20 | | 15.0% | |
| DCL Corporation | Wells Fargo Bank, National Association, as administrative agent | CCAA | A&M | 20-Dec-22 | Ontario | Distribution | 55.00 | | SOFR Loan obligations and Letters of Credit: Adjusted Term SOFR or Canadian BA Rate, plus 4.00% Base Rate obligations and Swingline Loans: US Base Rate or Canadian Base Rate, plus 3.00% Unused line fee of 0.50% Additional default interest of 2.0% | |
| Galarneau | | | | | | | | | | |
| Groupe Sélection Inc. | National Bank, CIBC, Desjardins, TD, BMO, HSBC, Briva Finance and Fiera | CCAA | PwC | 21-Nov-22 | Quebec | Food & Accommodation | 20.00 | | | |
| Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. | CIBC | CCAA | A&M | 30-Nov-22 | Manitoba | Healthcare | 4.00 | Reasonable fees and expenses of the lender | Prime plus 5% | |
| Trichome Financial Corp. | Cortland Credit Lending Corporation | CCAA | KSV | 07-Nov-22 | Ontario | Cannabis | 4.88 | Commitment fee of $97,000 | 14.0% | |
| Digitcom Telecommunications Inc. | TD Bank | NOI | Grant Thornton | 31-Oct-22 | Alberta | Technology | 0.45 | Commitment fee of $25,000; reasonable fees and expenses of the lender | Prime plus 5% | |
| Springer Aerospace Holdings Limited and 1138969 Ontario Inc. | Hillmount Capital Inc. | CCAA | MNP | 23-Nov-22 | Ontario | Professional Services | 1.50 | Commitment fee of $60,000, Lender Legal Fees, Disbursements and HST – To be determined by Lender's solicitor | The greater of RBC Prime plus 7% or 12 % per annum | |
| Pure Gold Mining Inc. | Sprott Private Resource Lending II (Collector), LP | CCAA | KSV | 31-Oct-22 | British Columbia | Mining | 10.00 | | 15.0% | |
| Cannapiece Group Inc. et al. | Cardinal Advisory Limited | CCAA | BDO | 03-Nov-22 | Ontario | Cannabis | 0.50 | Commitment fee of $10,000 | 12%% | |
| The Flowr Corporation et al. | 1000343100 Ontario Inc. | CCAA | EY | 20-Oct-22 | Ontario | Cannabis | 2.00 | Commitment fee of $40,000 | Prime plus 12% | |
| Xebec Adsorption Inc. et al. | National Bank of Canada | CCAA | Deloitte | 29-Sep-22 | Quebec | Oil and Gas | 3.60 | | | |
| BR Capital | 2443970 Alberta Inc. | NOI | KPMG | 15-Sep-22 | Alberta | Technology | 0.43 | | 9.0% | |
| iS5 Communications Inc. | Phoenix Contact Venture Funds | NOI | Grant Thornton | 05-Aug-22 | Ontario | Technology | USD 1.1 | Commitment fee of USD $22,000, representing 2% of the total maximum amount available under the DIP Facility | 14.0% | |
| SugarBud Craft Growers Crop. et al. | Connect First Credit Union Ltd. | NOI | A&M | 26-Sep-22 | Alberta | Cannabis | 2.00 | Commitment fee of 2% | 12.0% | |
| Superette Inc. et al. | SNDL Inc. | CCAA | EY | 30-Aug-22 | Ontario | Cannabis | 1.37 | | 15.0% | |
| iSPAN Systems Ltd. | Paradigm Focus Product Development Inc., Walters Partners Inc., and Leder Investments Ltd. | NOI | Fuller Landau | 11-Aug-22 | Ontario | Manufacturing | 1.50 | | 3.0% | |
| Speakeasy Cannabis Club Ltd. | Travelers Capital Corp. | CCAA | Crowe MacKay | 27-Jul-22 | British Columbia | Cannabis | 1.00 | Commitment fee of 4.25%; standby fee of 2.5%; break fee of 5% | RBC prime rate (currently 4.7%) plus 725 basis points (currently 11.95%) | |
| North American Lamb Company et al. | BNS and/or FCC | NOI | EY | 05-Aug-22 | Alberta | Agriculture | 1.80 | | | |

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|---|---|---|---|---|---|---|---|---|---|---|
| iS5 Communications Inc. | Phoenix Contact Venture Funds I GmbH | NOI | Grant Thornton | 05-Aug-22 | Ontario | Technology | USD 1.1 | Commitment fee of 2% | 14.0% | |
| Petrolama Energy Inc. | 884304 Alberta Ltd. | NOI | A&M | 27-Jul-22 | Saskatchewan | Oil and Gas | 0.30 | Debtor responsible for interim lender's expenses | 5.0% | |
| MPX International Corporation | Certain Debentureholders | CCAA | KSV | 24-Jul-22 | Ontario | Cannabis | 2.67 | Commitment fee of 2% | 12.0% | |
| The Sanderson-Harold Company c.o.b. as Paris Kitchens | BMO | NOI | KSV | 31-May-22 | Ontario | Manufacturing | 0.45 | | Prime commercial lending rate of BMO plus 1.5% per annum (currently, 5.2%). | |
| Medipure Pharmaceuticals Inc. | HFS Management Inc. | NOI | Deloitte | 11-May-22 | British Columbia | Healthcare | 1.36 | Debtor responsible for interim lender's expenses | 6.0% | |
| Sproutly, Inc. and Toronto Herbal Remedies Inc. | 0982244 B.C. Ltd. o/a Isle of Mann Property Group | CCAA | BDO | 24-Jun-22 | Ontario | Cannabis | 0.75 | Facility fee of 2% | 1400.0% | |
| Revlon Inc. et al. | The BrandCo Lenders and certain Prepetition ABL Lenders | Foreign order recognition | KSV | 20-Jun-22 | Ontario | Manufacturing | ty - $1.025 billion; ABL DIP Facili | Term DIP Facility - 1% of the aggregate principal amount of each Term DIP Lender's Term DIP Commitment; ABL DIP Facility - 1% of the aggregate Tranche A DIP ABL Commitments as of the Petition Date | Term DIP Facility - SOFR + 775 basis points (with a 1% SOFR floor); LIFO ABL DIP Loans - ABR + 2.50% (with a 1.5% ABR floor); SISO ABL DIP Loans - ABR + 4.75% (with a 2.75% ABR floor) | |
| Canadian Dehua International Mines Group Inc. | Qubo Liu (a 50% shareholder) | CCAA | FTI | 03-Jun-22 | British Columbia | Mining | 0.35 | 0 | 0.0% | |
| MJardin Group Inc., Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation | Bridging Finance | CCAA | KSV | 02-Jun-22 | Ontario | Cannabis | 2.00 | Upfront fee of $50,000. Debtor responsible for DIP lender's expenses. | 1000.0% | |
| Freshlocal Solutions Inc. et al. | Third Eye Asset Management Inc. / Ayal Capital Advisors EliteFund LP and Heidi S. Shippell Heiland 2008 Irrevocable Trust | CCAA | EY | 16-May-22 | British Columbia | Retail | 1) TEC - 102) Ayal - 3 | 1) Closing fee of $300,000; exit fee of $300,000; extension fee of $150,000 payable to extend the maturity date<br>2) Closing fee of $90,000 | 1) Variable interest rate of the RBC Prime Rate + 8% (currently 12.7%) per annum<br>2) Variable interest rate of the RBC Prime Rate + 5% (currently 9.7%) per annum | The TEC loan was amended by order dated August 5, 2022. These are the amended terms. The Ayal loan was added on the same day. |
| Choom Holdings Inc. | 1) Aurora Cannabis Inc.<br>2) Secured creditor other than Aurora | CCAA | EY | 22-Apr-22 | British Columbia | Cannabis | 1) 0.82) 0.15 | 1) Borrower responsible for DIP lender's expenses. | 1) 12<br>2) 12 | |
| Hazelton Development Corporation | Triumph Eastern Investments Inc. | CCAA | Grant Thornton | 20-Apr-22 | Ontario | Real Estate | 9.00 | Commitment fee of $180,000 | 1300.0% | |
| 0989705 B.C. Ltd. et al. | Gatland, REV and South Street LP | CCAA | A&M | 01-Apr-22 | British Columbia | Real Estate | 1.00 | 25000 | 1000.0% | |
| Eve & Co Incorporated, Natural Medco Ltd. and Eve & Co International Holdings Ltd. | Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership | CCAA | BDO | 25-Mar-22 | Ontario | Cannabis | 2.20 | Facility fee of 60,000. Borrower responsible for DIP lender's expenses. | 1200.0% | |
| Rising Phoenix International Inc. | Interim Financing - Gestion Levy inc.<br>Junior Interim Financing - 6815464 Canada Ltd. | CCAA | Richter | 06-Jan-22 | Quebec | Education | ancing - 1.75Junior Interim Fina | Unclear - facilities granted under seal | Unclear - facilities granted under seal | |

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|---|---|---|---|---|---|---|---|---|---|---|
| Canada Fluorspar (NL) Inc. and Canada Fluorspar Inc. (collectively “CFI”) | (i) Bridging Finance Inc., a body corporate, existing pursuant to the laws of Canada, as agent for the Bridging Funds ("BFI") and (ii) Her Majesty in Right of Newfoundland and Labrador, as represented by the Minister of Industry, Energy and Technology (as successor to the Minister of Tourism, Culture, Industry and Innovation) | CCAA | Grant Thornton | 2022Interim Receivership - I | Newfoundland | Mining | 6.50 | N/A | Prime plus 12% | |
| Trinity Ravine Community Inc. | Nahid Corporation or an affiliate | CCAA | Deloitte | 23-Feb-22 | Ontario | Real Estate | 0.85 | 1. one-time fee of $20,000 payable from proceeds of the first Advance; 2. Advance Fee of $500 plus HST in respect of each Advance; 3. Utilization Fee in respect of any unutilized portion of the DIP Facility at a rate of 0.35% per annum calculated and compounded monthly in arrears; 4. $40,000 to be applied against the lender's legal fees and disbursements | The greater of 12% or the TD Bank Prime Rate (currently 2.45%) plus 9.55% | |
| BC Craft Supply Co. Ltd. | Avro Capital Corp. | NOI | Crowe MacKay | 24-Jan-22 | British Columbia | Cannabis | 0.42 | $5,000 documentation fee; Borrower responsible for DIP lender's expenses | 11.5% per annum, with an additional 3% per annum in the event of a default | |
| BlackRock Mining Inc. et al. | OMF Fund II H Ltd. and Investissement Québec | CCAA | Deloitte | 23-Dec-21 | Quebec | Mining | 2.00 | | 12% per annum | |
| Behr Technologies Inc. | 13486826 Canada Inc. | NOI | Farber | 03-Dec-21 | Ontario | Technology | 0.80 | $8,000 commitment fee | 12% per annum | |
| Kaisen Energy Corp. | Durum Opportunities LP, an affiliate of Durum Capital Inc. | CCAA | EY | 08-Dec-21 | Alberta | Oil and Gas | 1.00 | $50,000 commitment fee | ATB Financial Prime Rate + 5% per annum and is only payable on amounts advanced under the Interim Lender Facility; | |
| Harte Gold Corp. | 1000025833 Ontario Inc., a wholly owned subsidiary of Silver Lake Resources Limited. | CCAA | FTI | 07-Dec-21 | Ontario | Other | 10.80 | Borrower responsible for DIP lender's expenses | (a) in the case of the Balance in the Monitor’s Account from time to time, 2% per annum; (b) in the case of any portion of the Loan Amount that has been advanced, 5% per annum from the date of the advance | |
| Boreal Capital Partners | Halmont Properties Corporation | CCAA | EY | 25-Nov-21 | Ontario | Real Estate | 10.00 | Borrower responsible for DIP lender's expenses | 750.0% | |
| Junction Craft Brewing Inc. | 100003509 Ontario Limited | NOI | | 15-Oct-21 | Ontario | Food & Accommodation | 0.65 | 0 | 0.0% | |
| ChronoMetriq Inc. and Health Myself Innovations Inc. | CIBC | NOI | Richter | 26-Oct-21 | Quebec | Healthcare | 1.00 | Unclear - term sheet filed under seal. | Unclear - term sheet filed under seal. | |

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|---|---|---|---|---|---|---|---|---|---|---|
| Medifocus Inc. (TSX-v:MFS) | Asset Profits Limited | CCAA | Spergel | Sep-21 (NOI)7-Oct-21 (CCA | Ontario | Biotech | 0.70 | Borrower responsible for DIP lender's expenses | 900.0% | |
| Drexler Construction Limited, Folmur Construction (2004) Ltd. and Down Under Pipe and Cable Locating Ltd. | Corwin Mortgage Capital Inc. | NOI | Albert Gelman | 23-Mar-21 | Ontario | Construction | Loan 1 - 1.5Loan 2 - 1 | Loan 1 - $15,000 brokerage fee and $1,200 administration fee, plus lender's legal fees<br>Loan 2 - $10,000 brokerage fee, plus lender's legal fees | Loan 1 - 6.99<br>Loan 2 - 10, interest only | |
| Coalspur Mines (Operations) Ltd. | Cline Trust Company LLC | CCAA | FTI | 26-Apr-21 | Alberta | Mining | 26.00 | Closing fee of US$50,000. Undrawn amount fee of 2% on any undrawn amounts. The Borrower must also pay for the Lender and Monitor's reasonable expenses in connection with the loan. | 1200.0% | |
| International Fitness Holdings Inc., International Fitness Holdings LP and World Health North LP | First Canadian Cardio-Fitness Clinics Ltd. | NOI | KPMG | 23-Apr-21 | Alberta | Other | 10.00 | The Borrower is responsible for the Lender's reasonable expenses in connection with the DIP loan, the term sheet and the NOI proceedings. | 1000.0% | |
| BioEnergie AE Cote-Nord Canada Inc. | Biogaz SP senc | CCAA | Raymond Chabot | 06-May-21 | Quebec | Biotech | 0.30 | | | |
| CannTrust | Cortland Credit Lending Corporation | CCAA | EY | 06-May-21 | Ontario | Cannabis | 22.50 | Confidential | Confidential | |
| Spartan Bioscience Inc. | Casa-Dea Financing Ltd. | NOI continued as CCAA | EY | 04-May-21 | Ontario | Biotech | 0.60 | Facility fee of $6,000. The Borrower is responsible for the Lender's reasonable expenses incurred in connection with the interim financing. | 10.0% | |
| Ardenton Capital Corporation | RCM Capital Management Ltd. | CCAA | KSV | 05-Mar-21 | British Columbia | Financial Services | 5.00 | n/a | 10.0% | |
| Just Energy Group Inc. (TSX:JE) | LVS III SPE XV LP, TOCU XVII LLC, HVS XVI LLC and OC II LVS XIV LP | CCAA | FTI | 09-Mar-21 | Ontario | Oil and Gas | 125.00 | Commitment fee of $1.25 million and origination fee of $1.25 million. The Borrower will be responsible for all of the DIP Lenders' reasonable legal fees incurred in respect of the DIP Financing. | 13.0% | |
| Change of Scandinavia Canada Retail Inc. | Change of Scandinavia Holding A/S and Change of Scandinavia A/S | NOI | Richter | 02-Mar-21 | Quebec | Retail | 2.00 | | 15.0% | |
| Atis Group | BNS | CCAA | Raymond Chabot | 24-Feb-21 | Quebec | Manufacturing | 6.25 | Facility fee of $112,500 | Prime plus 3.75% | |
| TGF Acquisition Parent Ltd., Sun Rich Fresh Foods Inc. and Tiffany Gate Foods Inc. | Cortland Capital Market Services Ltd. | CCAA | EY | 17-Feb-21 | British Columbia | Food & Accommodation | 13.40 | Commitment fee of $516,000. | Either 15% or 12.5%, pursuant to the terms of the Term Sheet | |
| Rockshield Engineered Wood Products | Hillmount Capital Inc. | NOI | Dodick & Associates | 08-Feb-21 | Ontario | Manufacturing | 1.50 | Commitment fee of $30,000. | 11.0% | |

# Appendix “F”

**Email: mark.lever@saltwire.com**

**Strictly Private & Confidential**
Attention: Mr. Mark Lever
Chief Executive Officer
Saltwire Network Group of Companies
2717 Joseph Howe Drive
Halifax, NS
B3J 2T2

Dear Mr. Lever:
**Subject: Saltwire Network Group of Companies ("Saltwire") - Chief Restructuring Officer ("CRO')**

## Introduction

This letter confirms that David Boyd, as a representative of Resolve Advisory Services Ltd. would retained as Chief Restructuring Officer ("CRO") under a proposed Companies Creditors Arrangement Act ("CCAA") filing for the Saltwire Group of Companies ("Saltwire" or the 'Companies")

This letter outlines the basis on which we are retained, services to be provided and the fees to be paid in respect of those services.

## Our Understanding of the Situation & Scope of Services

Based on the information provided, we understand that the Companies and its secured lender, Fiera Private Debt ("Fiera") agree that a CCAA Application should be filed for the Companies though have significant material disagreements as to certain structural elements of the CCAA Application.. Fiera is the senior secured creditor and is owed approximately $35 million.

The Companies operate a number of newspaper, digital media publications, package delivery and ancillary companies in Atlantic Canada. The Companies operate out of a number of corporate owned properties in Nova Scotia and Newfoundland. '

## Proposed Scope of Services

Based on our understanding the proposed scope of services we are prepared to act as the CRO, under a CCAA Application, would be:

1. To assist the Companies in the completion of the CCAA Application documents, inclusive of meetings with the proposed Monitor, Companies management and representatives of the Court Appointed Monitor or any other Court Appointed Officers.
2. To directly address operational decisions for the Companies to ensure alignment with the Cash Flow projections and the restructuring plan as agreed to by the Stakeholders and/or the Court.
3. To attend Court and address matters raised by the stakeholders or the Court for the proposed CCAA Orders.
4. To provide comments/ context in the Monitors report to be filed with the Courts.
5. To review the Cash Flow(s) provided to the Stakeholders as part of the CCAA process, implement reporting processes for reporting on the Cash Flows and provide comments to the Monitor on adherence or variations.
6. Communications with the Monitor on the Sale(s) Process Documents and terms thereof.
7. Assist the Monitor in the Sale(s) Process for Information requirements/ site visits/ liaison with prospective purchasers.
8. Any other matters that may arise in the above scope of services or directly requested by the Monitor or Stakeholder, upon approval by the Monitor.

The foregoing services are subject to modification by agreement or pursuant to Court Order.

## Client Responsibilities

The Companies, Shareholders, Board and Management shall provide complete cooperation and accurate information, including that specifically referenced in the above scope of work.

## Reporting

The CRO shall address matters promptly when they arise. The CRO shall have regular communication with the Monitor, attend Court Hearings and Conference calls, whether Teams or telephone, with the stakeholders to address issues as they arise. The CRO would not prepare reports, except if requested by the Monitor or the Court to facilitate the CCAA process.

## Fees

Our fees, based on our understanding of the current scope of work would be based on an hourly rate.

The hourly rate shall be $375.00 an hour, plus out of pocket disbursements, and applicable HST. Based on the current scope of work, our estimated fee range, on the hourly rate basis, would be $100,000 to $125,000, plus applicable disbursements and HST.

Where the CRO requires legal counsel to address matters, the CRO shall notify the Monitor of such a requirement and confirm the retention of legal counsel. This would be outside of the fee schedule noted above, would be disclosed to the Court, and reflected on revised Cash Flows of the Companies.

If in the view of the CRO there is a material adjustment in the scope of work the CRO reserves the right to notify the Companies and the Monitor of a change in the scope of work and fee scope.

Where the CRO, through discussions with the Companies and the Monitor, is of the opinion that the Companies require senior financial resources to aid in the CCAA process, and the Monitor is in agreement, Resolve shall bill separately for this service.

## Standard Terms & Conditions

Outlined below are our Standard Terms & Conditions applicable to this Engagement Letter:

i) Limitation of Liability – except to the extent finally determined to have resulted from our fraud, gross negligence or intentional misconduct, our aggregate liability for all claims, losses, liabilities or damages in connection with this agreement or the services, whether as a result of breach of contract, tort or otherwise, regardless of the theory of liability asserted, is limited to no more than the total amount of fees paid to us for the particular service giving rise to the liability under this agreement, and we shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to others' contributions. In addition, we will not be liable in any event for lost profits, consequential, indirect, punitive, exemplary or special damages. Also, we shall have no liability arising from or relating to any third party hardware, software, information or materials selected or supplied by you. In no event shall we be liable to you or any third party for any claim, liability, loss, damage, cost or expense attributable to any act, omission or misrepresentation by you, your affiliates or your respective personnel;

ii) Restriction on claims – you agree that claims or actions relating to the services, deliverables and this agreement shall be brought against us alone, and not against any individual;

iii) Services and Deliverables – we are providing the services and/or deliverables solely for your use and benefit for the purpose set out in this agreement or relevant deliverable. Unless otherwise provided in this agreement or as required by law, you shall not disclose a deliverable or its contents to anyone else or make benefit of the services available to anyone else or authorize any other party to rely upon a deliverable or our services;

iv) Subcontractors and service providers – we may use service providers and subcontractors to provide the services and support service delivery.

v) Confidential information – Confidential Information means information or documents we receive or produce and which are marked confidential or are manifestly confidential, but does not include information which: a) is or becomes generally available to the public other than as a result of a breach of an obligation under this clause; b) is known to the receiving party prior to disclosure hereunder; or c) is received from a third party who owes no obligation or confidence in respect of the information. The parties subject to this engagement letter will use the others' confidential information only in relation to the services or for internal and administrative purpose, and the receiving party will not disclose confidential information except where required by law, professional obligation or as otherwise outlined in the engagement letter. You agree that we may give confidential information to third party service providers or subcontractors as long as they are bound by reasonable confidentiality obligations; and

vi) Termination – either party may terminate this agreement, for any reason, upon written notice of 30 days to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all services we perform and deliverables we provide up to the date of termination, including services performed, work-in-progress and expenses incurred.

## Acknowledgement and Acceptance

We are pleased to have the opportunity to provide our Services to the Companies and appreciate your confidence in us.

If the services outlined herein are in accordance with your requirements and if the above terms are acceptable to you, please sign this letter in the space provided below and return it to us.

Yours very truly,

David A. Boyd, FCPA, FCA, CIRP, LIT
Resolve Advisory Services Ltd.
Davidboyd.resolve@gmail.com
(902) 448-6725

## Confirmation of Terms of Engagement

Having read the above letter of engagement from Resolve Advisory Services Ltd. Dated March 1, 2024, we agree to engage David Boyd of Resolve Advisory Services Ltd. upon the terms set out therein.

**On behalf of the Saltwire Network Group of Companies**

______________________________
Signed (Mr. Mark Lever)

# Appendix “G”

**FTI Capital Advisors - Canada ULC**

TD South Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

T: 416.649.8100
F: 416.649.8101

fticonsulting.com

FTI CAPITAL ADVISORS

PRIVATE & CONFIDENTIAL

October [12], 2023

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

Attention: Mr. Mark Lever, President and Chief Executive Officer

## 1. Introduction

This letter confirms that we, FTI Capital Advisors – Canada ULC ("FTI"), have been retained by you, SaltWire Network Inc. ("SaltWire"), and Halifax Herald Limited (the "Herald"), to provide certain financial advisory and investment banking services (the "Services" or the "Engagement") as set out below. Saltwire and the Herald are the engaging parties hereunder and are together referred to as the "Company" throughout. 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 hereby engages FTI as its exclusive financial advisor to provide financial advisory and investment banking services in connection with its efforts to raise capital for its upcoming financing needs.

It is understood that the Company has requested FTI's services to assist it in discussions with potential financing sources and capital providers ("Financing Sources") in regard to addressing its financing needs. Each potential source of financing or provider of capital is referred to as a "Purchaser" in the Engagement Contract. The raising of any capital for any purpose is referred to as a financing transaction (the "Financing Transaction"). Any Financing Transaction will be done strictly on a best-efforts basis; the Engagement Contract does not represent a commitment of capital by FTI 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. Review the Company's current situation, go-forward plan, assess the underlying financial/capital situation and understand the opportunities and risks under various strategic transaction alternatives;

ii. FTI, together with the Company, will determine the optimal transaction(s) to bring to market to maximize value for all stakeholders;

iii. Facilitate information flow between the Company and its current lenders to allow management to focus on the business, including, but not limited to, cash flow reporting and transaction process updates;

iv. As applicable, and together with the Company, determine the capital support required to implement a focused and value-maximizing marketing process;

v. Concurrently, FTI would develop and implement a focused marketing process with a view to solicit Term Sheets/Letters of Intent by no later than January 31, 2024, and designed to maintain competitive tension and drive value for the Company and its stakeholders. FTI would:

- Identify and discuss with the Company, a group of suitable capital providers and partners;
- Prepare appropriate information to be provided to potential capital providers and partners;
- Obtain Term Sheets/Letters of Intent and evaluate the terms of the proposals;
- Prepare management for and attend meetings with prospective capital providers and partners;
- Manage due diligence and negotiation processes with select parties, working together with counsel; and
- Provide advice through execution of definitive transaction agreements.

vi. Advise on the strategic risks and benefits of different transaction alternatives, including the implications of the various alternatives and recommendations for each transaction; and

vii. Render such other financial advisory and investment banking services as mutually agreed upon by FTI and the Company.

viii. Notwithstanding anything to the contrary in this Engagement Contract, including the Standard Terms and Conditions, FTI and the Company each understands and consents to the following a) the Company's current lenders are entitled to attend any and all meetings (whether in person or by phone) between FTI and the Company, b) FTI may provide reports and updates directly to the lenders, and c) the lenders may have discussions directly with FTI as to the progress of its mandate whether or not a representative of the Company is present.

The Services may be performed by FTI or by any affiliate of FTI, as FTI shall determine. FTI may also provide Services through its affiliate agents or independent contractors. References herein to FTI or its employees shall be deemed to apply also, unless the context shall otherwise indicate, to FTI'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 FTI's U.S. affiliate, FTI Capital Advisors, LLC ("FTICA"), and all such Services will be under the authority and direction of FTICA as required by applicable law and FINRA's rules.

The Services, as outlined above, are subject to change as mutually agreed between us.

The Company agrees to promptly inform FTI of any inquiry it receives regarding a Financing Transaction so that FTI can evaluate such party and its interest in a Financing Transaction.

FTI 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, its management and board of directors. FTI 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 shall also have the right to approve prospective Purchasers, in what manner they are to be contacted and at what point in time such contact may be made with each such prospective Purchaser.

The Company agrees that it will be solely responsible for ensuring that any Financing Transaction complies with applicable law.

As part of the Services, FTI may be requested to assist the Company (and its legal or other advisors) in negotiating with the Company's various stakeholders, potential capital providers, 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 FTI or its employees.

**3. Fees**

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

A. A non-refundable work fee of CAD$45,000 per month for four (4) months, commencing on the date of execution of this Engagement Contract, then each 30-days thereafter.

B. A transaction fee (the "**Transaction Fee**"), payable in cash at the closing of a Financing Transaction, calculated, without duplication, as 2.0% of: (i) the aggregate amounts of all capital raised or committed by or for the benefit of the Company or its affiliates and/or assumed by any party other than the Company; and (ii) any indebtedness, including, interest bearing debt, non-interest bearing debt, vendor take-back notes, shareholder loans and capital leases restructured, renegotiated, modified, amended, extended, forgiven, comprised, or from which the Company is otherwise relieved; provided that the Transaction Fee shall not be less than CAD$750,000.

   The Transaction Fee is applicable and shall be owing to FTI related to any financing rounds with the Purchaser(s) that take place subsequent to the initial closing of the Financing Transaction.

C. FTI 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, 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 FTI to be necessary after consultation with the Company.

D. All fees and expenses will be subject to applicable taxes.

The Company hereby agrees that prior to closing a Financing Transaction, it will provide its legal counsel with a letter of direction to satisfy full payment of the Transaction Fee, as appropriate, on the closing date.

The Transaction Fee is not dependent on the type, amount or proportion of different securities issued, committed, assumed or purchased as part of any Financing Transaction.

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 Financing Transaction within twelve (12) months after the termination of this Engagement Contract, with any party which (i) was identified by FTI, contacted by FTI, or with whom FTI or the Company had discussions regarding a potential Financing Transaction during the term of this Engagement Contract, FTI shall be (a) entitled to its applicable Transaction Fee as referenced above upon the closing of the Financing 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 Financing Transaction in accordance with this paragraph to forward the Transaction Fee to FTI.

We will submit to the Company, at a frequency as we may determine as appropriate in our sole discretion, invoices payable upon receipt, for our fees and expenses incurred in connection with the Engagement. FTI 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 FTI 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, FTI 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 FTI 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 FTI involved in this Engagement and agrees that FTI 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 FTI'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 FTI 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, FTI 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.

FTI CAPITAL ADVISORS

## 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 Mullet 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: ______________________________
Mark Lever
President and Chief Executive Officer

Date: 17 Oct 2023

**HALIFAX HERALD LIMITED**

By: ______________________________
Mark Lever
President and Chief Executive Officer

Date: 17 Oct 2023

## FTI CAPITAL ADVISORS – CANADA ULC

## STANDARD TERMS AND CONDITIONS

The following are the Standard Terms and Conditions on which we will provide the Services to you set forth within the attached letter of Engagement. The Engagement letter and the Standard Terms and Conditions (collectively the "Engagement Contract") form the entire agreement between us relating to the Services and replace and supersede any previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract.

### 1. Reports and Advice

1.1 **Use and purpose of advice and reports** – Any advice given or report issued by us is provided solely for your use and benefit and only in connection with the purpose in respect of which the Services are provided. Unless required by law, you shall not provide any advice given or report issued by us to any third party, or refers to us or the Services, without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

### 2. Information and Assistance

2.1 **Provision of information and assistance** – Our performance of the Services is dependent upon your providing us with such information and assistance as we may reasonably require from time to time.

2.2 **Punctual and accurate information** – You shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete and relevant for the purpose for which it is required. You shall also notify us if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

2.3 **No assurance on financial data** – While our work may include an analysis of financial and accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Company management will be responsible for any and all financial information they provide to us during the course of this Engagement, and we will not examine or compile or verify any such financial information. Moreover, the circumstances of the Engagement may cause our advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period. Accordingly, as part of this Engagement, we will not express any opinion or other form of assurance on financial statements of the Company.

2.4 **Prospective financial information -** In the event the Services involve prospective financial information, our work will not constitute an examination or compilation, or apply agreed-upon procedures, in accordance with standards established by the Canadian Institute of Chartered Accountants, the American Institute of Certified Public Accountants or otherwise, and we will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievability of results or events projected or anticipated by the management of the Company.

## 3. Additional Services

3.1 **Responsibility for other parties** – We shall have no responsibility for the work and fees of any other party engaged by you to provide services in connection with the Engagement regardless of whether such party was introduced to you by us. Except as provided in this Engagement Contract, we shall not be responsible for providing or reviewing the advice or services of any such third party, including advice as to legal, regulatory, accounting or taxation matters.

## 4. Confidentiality

4.1 **Restrictions on confidential information** – Both parties agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving Services under this or any other contract between us. Except as provided below, neither party will disclose the other party's confidential information to any third party without the other party's consent. Confidential information shall not include information that:

4.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this Clause 4.1;

4.1.2 is acquired from a third party who, to the recipient party's knowledge, owes no obligation of confidence in respect of the information; or

4.1.3 is or has been independently developed by the recipient.

For greater certainty, nothing in this section 4.1 is intended to nor shall it create rights in favour of the company or any other party regarding any confidential information of the company or otherwise against you, FTI or any other party.

4.2 **Disclosing confidential information** – Notwithstanding Clause 1.1 or 4.1 above, either party will be entitled to disclose confidential information of the other to a third party to the extent that this is required by valid legal process, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than 2 business days' notice in writing is first given to the other party.

4.3 **Citation of engagement** – Without prejudice to Clause 4.1 and Clause 4.2 above, to the extent our engagement is or becomes known to the public, we may cite the performance of the Services to our clients and prospective clients as an indication of our experience, unless we and you specifically agree otherwise in writing.

4.4 **Internal quality reviews** – Notwithstanding the above, we may disclose any information referred to in this Clause 4 to any other FTI entity or use it for internal quality reviews.

4.5 **Maintenance of workpapers** – Notwithstanding the above, we may keep one archival set of our working papers from the Engagement, including working papers containing or reflecting confidential information, in accordance with our internal policies.

## 5. Termination

5.1 **Termination of Engagement with notice** – Either party may terminate the Engagement Contract for whatever reason upon written notice to the other party. Upon receipt of such notice, we will stop all work immediately. You will be responsible for all fees and expenses incurred by us through the date termination notice is received.

5.2 **Continuation of terms** – The terms of the Engagement that by their context are intended to be performed after termination or expiration of this Engagement Contract, including but not limited to, Clauses 3 and 4 of the Engagement letter, and Clauses 1.1, 4, 6 and 7 of the Standard Terms and Conditions, are intended to survive such termination or expiration and shall continue to bind all parties.

## 6. Indemnification and Liability Limitation; Waiver of Jury Trial

6.1 **Indemnification** - You agree to indemnify and hold harmless FTI and any of its subsidiaries and affiliates, officers, directors, principals, shareholders, agents, independent contractors and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, damages, obligations, costs and expenses (including reasonable attorneys' fees and expenses and costs of investigation) arising out of or relating to your retention of FTI, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, except to the extent that any such claim, liability, obligation, damage, cost or expense shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted.

6.2 **Limitation of liability** - You agree that no Indemnified Person shall have any liability as a result of your retention of FTI, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, other than liabilities that shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted. Without limiting the generality of the foregoing, in no event shall any Indemnified Person be liable for consequential, indirect or punitive damages, damages for lost profits or opportunities or other like damages or claims of any kind.

6.3 **WAIVER OF JURY TRIAL** –TO FACILITATE JUDICIAL RESOLUTION AND SAVE TIME AND EXPENSE, YOU AND FTI IRREVOCABLY AND UNCONDITIONALLY AGREE NOT TO DEMAND A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE SERVICES OR ANY SUCH OTHER MATTER.

## 7. Governing Law and Jurisdiction

The Engagement Contract shall be governed by and interpreted in accordance with the laws of Canada and the Province of Ontario, without giving effect to the choice of law provisions thereof. The Courts of Ontario sitting in Toronto shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The parties submit to the jurisdiction of such Courts and irrevocably waive any right they may have to object to any action being brought in these Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

FTI CAPITAL ADVISORS – CANADA ULC