Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

FP Newspapers Inc. ("**FPI**" or the "**Company**")
1355 Mountain Avenue
Winnipeg, MB R2X 3B6

Item 2 Date of Material Change

July 11, 2022

Item 3 News Release

The news release was disseminated through Accesswire on July 11, 2022 and filed on SEDAR.

Item 4 Summary of Material Change

On July 6, 2022, the Company entered into an amended and restated facility letter whereby its existing facility letter dated January 21, 2020 with HSBC Bank Canada was amended.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please refer to the press release dated July 11, 2022 attached hereto as Schedule "A".

5.2 Disclosure on Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Robert Silver, President
Business Telephone: (204) 788 – 4249

Item 9 Date of Report

July 20, 2022

APPENDIX "A" – PRESS RELEASE

FP Newspapers Inc. Announces Amendment of Term Loan and Non-Revolving Credit Facility

WINNIPEG, MB/ ACCESSWIRE / July 11, 2022 I FP Newspapers Inc. ("**FPI**" or the "**Company**") (TSXV:FP) is pleased to announce that FP Canadian Newspapers Limited Partnership ("FPLP") has entered into an amended and restated facility letter (the "**Restated Facility Letter**") whereby its existing facility letter dated January 21, 2020 with HSBC Bank Canada (the "**Original Facility Letter**") was amended. In connection with the Restated Facility Letter, HSBC Bank Canada has provided the Company with a credit facility of up to $15,585,000 (the "Credit Facility").

Under the terms of the Restated Facility Letter, the Credit Facility will mature on July 6, 2026 being four years from the date of the initial advance (the "**Term**") and bears a variable rate of interest at HSBC Bank Canada prime rate of interest per annum, plus a premium based on financial leverage as defined by HSBC Bank Canada. FPLP is obligated to make monthly installment payments of accrued interest payable on the principal outstanding until January 30, 2023 and repay $188,700 per month along with all accompanying interest for the remainder of the Term. The Restated Facility Letter contains substantially the same representations, warranties, covenants, events of default and financial covenants as the Original Facility Letter. The Credit Facility is secured by the assets of the businesses and a mortgage registered on FPLP's Winnipeg land and buildings, as provided for under the Original Facility Letter.

"HSBC Bank Canada has been a long-term supporter and valued business partner to the Company since they initially provided a $60.0 million loan facility over a decade ago," said Robert Silver, Chief Executive Officer, Chairman and President of FPI. "2022 marks the 150th anniversary of the first publication of the Winnipeg Free Press and whilst news media as a whole faces evolving challenges, it plays a renewed and essential role in our society. The Company is making continued progress on FPLP's debt repayments, in no small part through the hard work of its dedicated employees."

The proceeds from the Restated Facility Letter are to be used to re-finance its current indebtedness and to finance the acquisition of planned equipment purchases.

FPLP owns and operates the *Winnipeg Free Press*, along with several other Manitoba-based news and media publications that are available in both print and digital formats. The informative and engaging content we produce has an extensive reach throughout the province of Manitoba. The breadth of our reach provides compelling platforms for those looking to effectively reach a Manitoba audience. FP Newspapers Inc. owns securities entitling it to 49% of the distributable cash flow of FPLP.

For further information please contact:

Ryan Kolaski, CFO
FP NEWSPAPERS INC.
Phone 204-771-1897

Caution Regarding Forward-Looking Statements

Certain statements in this news release may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. These statements include but are not limited to statements regarding management's intent, belief or current expectations with respect to market and general economic conditions, future costs and operating performance. Generally, but not always, forward-looking statements will be indicated by words such as “may”, “will”, “intend”, “anticipate”, “expect”, “believe”, “plan”, “forecast”, “is budgeting for” or similar terminology. Forward-looking statements are subject to known and unknown risks and uncertainties that may cause the actual results, performance or achievements of FPI or FPLP, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include FPLP's ability to make repayments under the Credit Facility, the continued sustainability of interest rates, FPLP's ability to effectively manage growth and maintain its profitability, FPLP's ability to operate in a highly competitive and challenging industry, FPLP's reliance upon key personnel, FPLP's indebtedness incurred in making acquisitions, the availability of financing for capital improvements, costs related to capital expenditures, cyclical and seasonal variations in FPLP's revenues and the risk of equipment failure. In addition, although the forward-looking statements contained in this news release are based upon assumptions that management of FPI and FPLP believe to be reasonable, such assumptions may prove to be incorrect. Forward-looking statements speak only as of the date hereof and, except as required by law, FPI and FPLP assume no obligation to update or revise them to reflect new events or circumstances. Because forward-looking statements are inherently uncertain, readers should not place undue reliance on them.

SOURCE: FP Newspapers Inc.