Court File No.: 09-8503-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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 OR ARRANGEMENT OF HOLLINGER CANADIAN PUBLISHING HOLDINGS CO.

Applicant

NINTH REPORT OF THE MONITOR DATED JULY 27, 2011

INTRODUCTION

1. On December 10, 2009 Hollinger Canadian Publishing Holdings Co. ("**HCPH**" or the "**Applicant**") filed for and obtained protection under the *Companies' Creditors Arrangement Act* ("**CCAA**"). Pursuant to the Order of this Honourable Court dated December 10, 2009 (the **"Initial Order"**), Ernst & Young Inc. (**"EYI"**) was appointed as the Monitor of the Applicant (the **"Monitor"**) in the CCAA proceeding. The Initial Order also appointed Mr. Dennis Byrd as the Chief Restructuring Officer (the "**CRO**") of the Applicant and appointed the law firm of Koskie Minsky LLP as representative counsel (the "**Representative Counsel**") for all members and beneficiaries of the OPEBs (defined below) in respect of issues affecting such members and/or beneficiaries in the HCPH CCAA proceedings. By order dated July 27, 2010, Representative Counsel was also appointed as counsel for members and beneficiaries of the Pension Plans (defined below) for or in respect of any issues affecting such members and/or beneficiaries in respect of the Pension Plans in the HCPH CCAA proceedings.

2. The Initial Order provided for a stay of proceedings through to January 8, 2010 (the "**Stay Period**"). The Stay Period has been extended to July 31, 2011 pursuant to further Orders of this Honourable Court.

PURPOSE

3. The purpose of this Ninth Report of the Monitor (the "**Ninth Report**") is to report to this Honourable Court with respect to:

   i) the status of the claims process (the "**Claims Process**") established pursuant to an Order made on April 15, 2010 by this Honourable Court (the "**Claims Procedure Order**"), as supplemented by paragraph 15 of an Order made on July 27, 2010 (the "**July 27 Order**");

   ii) the status of the wind up of the Pension Plans (defined below);

   iii) the Applicant's motion for an Order:

      a. authorizing the termination of the OPEB Plans (defined below);

      b. approving the Notice of OPEB Termination Date (defined below) and the process for the delivery of the Notice of OPEB Termination Date;

      c. authorizing a process for the submission of Pre Termination Claims (defined below);

      d. approving the timeline for the submission of claim summaries and the OPEB Claims Report (defined below); and

      e. approving the Notice of OPEB Claim (defined below) and the process for the delivery of the Notice of OPEB Claim;

   iv) actual receipts and disbursements of the Applicant from March 28, 2011 to July 10, 2011 as well as the Applicant's cash flow projection from July 11, 2011 to December 4, 2011;

   v) the motion by the Applicant to extend the Stay Period to November 30, 2011; and

   vi) the Applicant's motion to approve this Ninth Report and the conduct and activities of the Monitor as set forth herein.

TERMS OF REFERENCE

4. In preparing this Ninth Report and in making the comments herein relied upon, EYI has been provided with unaudited financial information, the Applicant's books and records, financial information prepared by the Applicant, and has had discussions with management of the Applicant and the chief restructuring officer. EYI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, EYI expresses no opinion or other form of assurance in respect of such information contained in this Ninth Report. Some of the information referred to in this Ninth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future oriented financial information referred to in this report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections, even if the assumptions materialize, and the variations could be significant.

5. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

6. Capitalized terms not defined in this Ninth Report are defined in the Initial Order or previous reports of the Monitor.

BACKGROUND

7. HCPH is a wholly owned direct and indirect subsidiary of Sun-Times Media Group Inc. ("**STMG**"). Further to Chapter 11 proceedings, on October 26, 2009, substantially all of STMG's U.S. assets were sold. Following this sale, STMG began the process of liquidation in accordance with U.S. bankruptcy law procedures.

8. Several years ago, HCPH sold its various newspaper businesses and, for some period of time, it has had no ongoing business activity. The ongoing operation of HCPH consists primarily of the administration of two unfunded retirement plans and certain other post-

employment benefits plans (collectively with the unfunded retirement plans, the "**OPEBs**") and six registered pension plans (the "**Pension Plans**") for in excess of 3,000 former employees (the OPEB members and the Pension Plan members are collectively referred to as the "**Plan Members**"). Further details with respect to the OPEBs and Pension Plans are described in the Affidavit of Thomas L. Kram dated December 8, 2009 (the "**Kram Affidavit**").

STATUS OF THE CLAIMS PROCESS

9. On April 15, 2010, this Honourable Court granted the Claims Procedure Order to identify any creditor claims other than claims in respect of OPEB and Pension Plans, and claims secured by charges in the Initial Order or any further charge ordered by this Honourable Court.

10. As described in the Fourth Report of the Monitor dated October 13, 2010 (the "**Fourth Report**"), pursuant to the Claims Procedure Order, the Monitor sent a claims package including a copy of an instruction letter and a proof of claim form (the "**Claims Package**") to all creditors identified by HCPH. Subsequently, Claims Packages were sent to certain additional persons based on requests made to the Monitor.

11. Further, as required by the Claims Procedure Order, the Monitor posted a copy of the notice substantially in the form attached as Schedule 'A' to the Claims Procedure Order (the "**Notice to Creditors**") on its website. In addition, the Monitor published the Notice to Creditors in the National Post newspaper on May 17, 2010 and in the national edition of the Globe and Mail newspaper on May 18, 2010.

12. Pursuant to the Claims Procedure Order a creditor asserting a claim, including a Restructuring Claim (as defined in the Claims Procedure Order) arising prior to May 15, 2010 was required to do so by delivering a proof of claim to the Monitor by 5:00 p.m. on June 18, 2010 (the "**Claims Bar Date**"). Further, the Claims Procedure Order set out that any person asserting a Restructuring Claim (as defined in the Claims Procedure Order) arising after May 15, 2010 was required to do so by the Restructuring Claims Bar Date established by the July 27 Order as 5:00 p.m. (Eastern Standard Time) on the 30th day

following the date on which an applicable notice of the restructuring, termination, disclaimer, or repudiation of any contract is sent by HCPH to the applicable creditor.

13. As of June 3, 2011, the Monitor has received 12 claims other than in respect of OPEB and Pension Plans totalling approximately $66.5 million (the "**Claims**"), although approximately $33.4 million of that may be duplicative as it relates to a contribution and indemnity claim by a claimant in respect of an approximately $33.4 million claim by another claimant. In addition, as disclosed previously, the Monitor received a claim from 783783 Alberta Ltd. carrying on business as Vue Weekly ("**Vue Weekly**"), which was subsequently withdrawn pursuant to a settlement reached between Vue Weekly and HCPH (the "**Settlement**"). Details of the Settlement are described in the Sixth Report of the Monitor dated December 31, 2010 (the "**Sixth Report**").

14. As described in the Eighth Report of the Monitor dated June 6, 2011 (the "**Eighth Report**"), based on a preliminary review of the Claims by the Applicant and the Monitor, it appears that four Claims totalling approximately $48,000 relate to Claims from trade creditors, six Claims totalling approximately $38,000 relate to Claims from tax authorities and two Claims totalling approximately $66.4 million relate to the aforementioned $33.4 million claim and related contribution and indemnity claim. Certain of the Claims from tax authorities appear to be placeholder Claims, pending the determination of any tax liabilities.

15. Pursuant to an Order made on June 8, 2011 by this Honourable Court (the "**Claims Disallowance Procedure Order**"), the Monitor, in consultation with HCPH, is reviewing the Claims described above, and a notice of revision or disallowance substantially in the form attached as Schedule 'A' to the Claims Disallowance Procedure Order will be sent to certain claimants in respect of Claims that are disputed by the Applicant or the Monitor.

STATUS OF THE WIND UP OF THE PENSION PLANS

16. Further to the Order of this Honourable Court made on October 14, 2010 (the "**October 14 Order**"), HCPH, in consultation with Representative Counsel and the Monitor, commenced the process to wind up five of the Pension Plans as of December 31, 2010 (the "**Wind Up Date**"). The Pension Plans being wound up (the "**Winding Up Plans**") include one British Columbia registered Pension Plan (the "**B.C. Registered Pension Plan**") and four Ontario registered Pension Plans (the "**Ontario Registered Pension Plans**"). The Journal Publishing Company Limited Pension Plan (the "**Journal Plan**") was not part of the initial wind up process. HCPH, with the assistance of the Monitor is analysing the process for the wind up of the Journal Plan.

17. As described in the Sixth Report, on December 21, 2010, HCPH, with the assistance of the Monitor, sent notices to members of the Winding Up Plans whose addresses are known to HCPH, advising of the wind up of the Winding Up Plans (the "**Wind Up Notices**") as required under the Pension Benefits Act (Ontario) and the Pension Benefits Standards Act (British Columbia).

18. On February 11, 2011, HCPH, with the assistance of the Monitor, published a notice of the wind up of the Winding Up Plans in the national edition of the Globe and Mail in order to attempt to give notice to those Plan Members whose addresses were not known to HCPH.

19. Wind up reports with respect to the Winding Up Plans (the "**Wind Up Reports**") have been filed by HCPH with the applicable pension regulators in Ontario and British Columbia (the "**Pension Regulators**").

20. Further to the filing of the Wind Up Reports with the Pension Regulators, HCPH, Representative Counsel and the Monitor conducted a meeting with the pension regulator in Ontario and a conference call with the pension regulator in British Columbia to, among other things, advise the Pension Regulators of the status of these CCAA proceedings, discuss the status of the Pension Regulators' review of the Wind Up Reports and discuss the tentative timing of anticipated next steps in these CCAA proceedings. The Pension

Regulators agreed to review the Wind Up Reports in an expedited manner and communicate with each other with respect to the timing of their approval of the Wind Up Reports to assist HCPH as it works towards the development of its CCAA plan.

TERMINATION OF OPEB PLANS

21. Since the commencement of these CCAA proceedings, HCPH has continued, pursuant to the Initial Order, to fund both of its unfunded retirement plans (which included the Southam Executive Retirement Agreement, which as of May 31, 2011 included 28 members (the "**SERA Plan**"), and the Divisional Allowance Top-Up, which as of May 31, 2011 included 143 members (the "**DA Plan**")) as well as its post-employment and post-retirement benefit plans, which include retiree medical coverage, dental coverage, life insurance, accidental death and dismemberment insurance and long-term disability income benefits (collectively, with the SERA Plan and the DA Plan, the "**OPEB Plans**"). A list of HCPH's OPEB Plans are set out in Schedule 'A' to the draft court order in the Applicant's motion materials returnable July 28, 2011 (the "**OPEB Claims Procedure Order**"). Based on information provided by HCPH, there are approximately 1,810 OPEB Plan members as of July 27, 2011.

22. As described in the affidavit of Dennis Byrd sworn July 20, 2011 (the "**Byrd Affidavit**"), as HCPH continues to work towards the development of its CCAA Plan, it is necessary to terminate HCPH's OPEB Plans in order to accurately value the OPEB claims of the OPEB Plan members and to determine their entitlement to any ultimate distribution under a CCAA plan. Accordingly, HCPH is proposing to terminate its OPEB Plans as at August 31, 2011 (the "**OPEB Termination Date**"). As described further in this Ninth Report, after the OPEB Termination Date, HCPH's actuary Mercer (Canada) Ltd. ("**Mercer**") will calculate a claim for every member or beneficiary of an OPEB Plan existing as at the OPEB Termination Date (the "**OPEB Claim**").

23. The OPEB Termination Date was determined by HCPH in consultation with Representative Counsel and the Monitor. In selecting the OPEB Termination Date, consideration was given to allowing OPEB Plan members sufficient time to seek alternate options for dental, medical and life insurance coverage as well as to ensuring that OPEB

Plan members will have additional time to submit any final claims (in relation to eligible health and dental or death benefit related expenses or benefits incurred prior to the OPEB Termination Date) to HCPH or other benefit providers, as set out in the draft OPEB Claims Procedure Order.

24. In order to lessen the impact on OPEB Plan members from the loss of benefit coverage due to the termination of the OPEB Plans, as indicated in the letter sent by Representative Counsel to the OPEB Plan members on June 30, 2011 (the "**Representative Counsel Letter**") Representative Counsel has arranged for alternate health and dental coverage that can be purchased directly by OPEB Plan members subject to certain restrictions of the alternative benefits provider. In addition, as stated in the Representative Counsel Letter, for those OPEB Plan members who meet the eligibility requirements of the alternate benefits provider, a life insurance option will be made available by the alternate benefits provider.

NOTICE OF OPEB TERMINATION DATE

25. As described above, the proposed OPEB Termination Date, subject to the approval of this Honourable Court, is August 31, 2011.

26. As described in the Byrd Affidavit, in order to provide the OPEB Plan members with adequate notice of the OPEB Termination Date, on June 30, 2011, Representative Counsel sent a letter to the OPEB Plan members advising of the proposed OPEB Termination Date. A copy of the letter from Representative Counsel to the OPEB Plan members in attached as Exhibit 'E' to the Byrd Affidavit.

27. The OPEB Claims Procedure Order also contemplates that the Monitor will send a notice of the OPEB Termination Date (the "**OPEB Termination Date Notice**") within five business days of the issuance of the OPEB Claims Procedure Order to Representative Counsel and each OPEB Plan member as indicated on the list of OPEB Plan members provided by HCPH to the Monitor. A copy of the OPEB Termination Date Notice is attached as Schedule 'B' to the OPEB Claims Procedure Order. HCPH is seeking the approval of the OPEB Termination Date Notice, substantially in the form attached to the

OPEB Claims Procedure Order, in its July 28th motion.

28. In addition, as described earlier in this Ninth Report, the Third Party Benefits Providers were informed of the OPEB Termination Date, subject to the approval of the OPEB Termination Date by this Honourable Court.

HCPH MASTER LIST

29. The list of OPEB Plan members that will be provided by HCPH to the Monitor for purposes of delivering the OPEB Termination Date Notice is a master list of HCPH employees, former employees, retirees and certain beneficiaries (the "**Master Listing**"), which has been compiled by HCPH using information received through the extensive process conducted by HCPH (the "**Retiree Audit Survey Process**"), commencing in April 2010, such that OPEB Plan members and beneficiaries have already had an opportunity to assert any rights and correct any information discrepancies. As previously reported in the Fourth Report, the Fifth Report of the Monitor dated November 5, 2010 (the "**Fifth Report**") and the Sixth Report of the Monitor dated December 31, 2010 (the "**Sixth Report**"):

i) The Retiree Audit Survey Process was conducted pursuant to an order of this Honourable Court on April 15, 2010 (the "**April 15 Order**"). The purpose of the Retiree Audit Survey Process was to enable HCPH to update its records such that Mercer would have accurate information to complete its valuation analysis of HCPH's OPEB and Pension Plans.

ii) The Monitor complied with the process set out in the April 15 Order, including sending a survey questionnaire (a copy of which is attached as Appendix A to the Fifth Report (the "**Personal Information Statement**")) to 3,271 Plan Members identified on a list provided by HCPH based on information from HCPH's records, posting a notice in the requisite form on its website, and publishing notices in the National Post and Globe and Mail newspapers.

iii) Pursuant to the April 15 Order, a Plan Member who wished to dispute any of the information set out in the Personal Information Statement or provide further information requested on the Personal Information Statement had until 5:00 p.m. on June 18, 2010 to provide such information to the Monitor. Any late filed Personal Information Statements up to July 27, 2010 were also accepted by the Monitor pursuant to an Order of this Honourable Court dated July 27, 2010.

30. Information continued to be received after the July 27 Order from the Plan Members either directly from the Plan Member or through Representative Counsel. Such information, if verified by HCPH, based on HCPH's records or supporting documentation provided by the Plan Member, was included in the Master Listing even though received after the July 27 Order.

31. A final Master Listing will be provided to Mercer after the OPEB Termination Date for the valuation of the OPEB Claims.

THIRD PARTY BENEFIT PROVIDERS

32. HCPH, with the assistance of the Monitor conducted calls with third party benefit providers, including the Manufacturers Life Insurance Company ("**Manulife**"), Pacific Blue Cross ("**Blue Cross**"), Sunlife Financial ("**Sunlife**"), The Great-West Life Assurance Company ("**Great West Life**") and SSQ Financial Group ("**SSQ**") (collectively, the "**Third Party Benefits Providers**") to advise them of the proposed OPEB Termination Date and discuss the impact on the OPEB Plan members.

33. The Third Party Benefits Providers, among other things, were provided with an update on the status of HCPH's CCAA proceedings and informed that, subject to the approval of this Honourable Court, all HCPH's OPEB benefits will be terminated on August 31, 2011 and that HCPH will be seeking the approval of this Honourable Court to cease paying OPEB Plan related expenses or benefits arising after the OPEB Termination Date. HCPH will send formal notifications to the Third Party Benefits Providers after the approval of this Honourable Court is obtained with respect to the OPEB Termination Date. A summary of relevant information obtained from calls with Third Party Benefits Providers has been provided to Representative Counsel by HCPH.

34. Based on discussions with the Third Party Benefits Providers, the Monitor understands that the termination of OPEB Plans will not impact life insurance plans that are fully paid up. In addition, OPEB Plan members on long-term disability who are receiving a waiver of premiums will continue to receive such waiver of premiums for as long as they continue to remain disabled and continue to meet the eligibility qualifications for coverage under the applicable long-term disability policy.

PRE TERMINATION CLAIMS

35. The OPEB Claims Procedure Order contemplates that claims incurred by OPEB Plan members prior to the OPEB Termination Date in respect of eligible health and dental expenses or death benefits (the "**Pre Termination Claims**") are required to be submitted to the applicable Third Party Benefits Provider or HCPH prior to September 30, 2011 (the "**Pre Termination Claims Bar Date**"), with the exception of Pre Termination Claims to be submitted to Blue Cross and SSQ. The Pre Termination Claims Bar Date has been determined by HCPH in consultation with Representative Counsel. It is the Monitor's view that the Pre Termination Claims Bar Date provides OPEB Plan members with adequate time to submit their Pre Termination Claims as adequate notice has been provided to the OPEB Plan members with respect to the OPEB Termination Date and the Pre Termination Claims Bar Date. Pre Termination Claims not submitted to the applicable Third Party Benefits Provider or HCPH by September 30, 2011 will be forever barred and extinguished. This is necessary for Mercer to prepare accurate valuations of OPEB Claims and for HCPH to formulate and implement its CCAA plan.

36. Pre Termination Claims that are required to be submitted to Blue Cross and SSQ shall be required to be submitted in accordance with the contractual deadlines imposed by Blue Cross and SSQ on the respective OPEB Plan members The Blue Cross and SSQ OPEB Plans are insurance-based plans. HCPH pays monthly premiums to these plan providers for which OPEB Plan members covered under these plans receive health and dental benefits under the Blue Cross plan and health and life insurance benefits under the SSQ Plan. Since the Blue Cross Plans and SSQ Plans are insurance-based plans, claim summaries are not required by Mercer with respect to the SSQ and Blue Cross plans in

order to prepare a valuation of OPEB Claims The Monitor understands, based on discussions with Blue Cross and SSQ, that the relevant contractual deadlines are as follows:

i) OPEB Plan members covered under the Blue Cross plan have until December 31 of the following year from the date the claim is incurred to submit health claims and 12 months from the date the claim is incurred to submit dental claims, so long as such health and dental claims are incurred prior to the OPEB Termination Date; and

ii) OPEB Plan members covered under the SSQ plan have 12 months from the date the claim is incurred to submit health claims to SSQ, so long as such health claims are incurred prior to the OPEB Termination Date.

To clarify, any claims incurred after the OPEB Termination Date will not be paid by Blue Cross or SSQ.

37. Pre Termination Claims received will be reviewed by HCPH or the applicable Third Party Benefits Provider for eligibility for reimbursement, and the Monitor's approval is required for payments to be made by HCPH in respect of Pre Termination Claims.

38. As discussed above, SERA Plan and DA Plan payments also stop on the OPEB Termination Date.

39. The OPEB Claims Procedure Order contemplates that if a Pre Termination Claim is rejected by any of the Third Party Benefits Providers, HCPH or the Monitor, and such rejection is disputed by the OPEB Plan member or beneficiary, such OPEB Plan member or beneficiary shall advise Representative Counsel of the dispute within seven business days after the date on which notice of the rejection of the Pre Termination Claim is sent by the Third Party Benefits Provider, HCPH or the Monitor, and Representative Counsel shall advise HCPH and the Monitor of the dispute forthwith thereafter. If such dispute cannot be resolved by Representative Counsel, the Monitor, HCPH and the applicable Third Party Benefits Provider within seven days after Representative Counsel advises HCPH and the Monitor of the dispute, it may be referred to this Honourable Court for

resolution.

CLAIMS SUMMARIES

40. Mercer has advised that in order to accurately complete the valuation of the OPEB Claims, it requires updated benefit claims summaries, including information regarding claims incurred by the OPEB Plan members up to the OPEB Termination Date. A benefit claims summary is a summary of claims made, after the relevant claims have been paid.

41. The OPEB Claims Procedure Order contemplates that any Third Party Benefits Provider that has submitted claims summaries since the commencement of these CCAA proceedings is required to submit updated benefit claims summaries by October 31, 2011 (the "**Claims Summary Deadline**"). The Monitor understands that the only Third Party Benefits Provider to whom this provision applies is Manulife.

42. HCPH, with the assistance of the Monitor, communicated the Claims Summary Deadline to Manulife. Manulife advised that it generally requires approximately two weeks to prepare such claims summaries after the relevant benefit claims are paid. Accordingly, there could be a delay in the preparation of such claim summaries if there is a delay in the resolution of disputed Pre Termination Claims.

OPEB CLAIMS REPORT AND NOTICE OF OPEB CLAIM NOTICE

43. On receipt of the final Master Listing and the relevant benefit claims summaries, Mercer will conduct a valuation of the OPEB Claims. The Monitor understands that Mercer will require approximately four weeks to complete the valuation of the OPEB Claims after it receives the updated Master Listing and the relevant claims summaries. The OPEB Claims Procedure Order requires that Mercer provide its valuation of the OPEB Claims (the "**OPEB Claims Report**") to HCPH, Representative Counsel and the Monitor by no later than November 30, 2011 (the "**OPEB Claims Report Deadline**").

44. The OPEB Claims Report is a valuation of the claims of each of the OPEB Plan members or beneficiaries entitled to an OPEB Claim. The OPEB Claims Report will provide

details of each OPEB Claim by individual OPEB Plan member based on certain categories of OPEB Plans, such as health and dental, life insurance and others.

45. HCPH, with the assistance of the Monitor, communicated the OPEB Claims Report Deadline to Mercer. The Monitor understands that Mercer has agreed it is able to provide the OPEB Claims Report by the OPEB Claims Report Deadline if it receives the updated Master Listing and claims summaries by October 31, 2011 (the Claims Summary Deadline).

46. Given the extensive Retiree Audit Survey Process already conducted (as described above), all OPEB claimants have already had an opportunity to confirm or correct the accuracy of the information that Mercer will use to value their OPEB Claims. However, for additional comfort, the OPEB Claims Procedure Order provides a process for Representative Counsel to identify, and for the parties to resolve, any discrepancies noted in the OPEB Claims Report or their individual claim notices, as described below:

   i) Representative Counsel has five business days from the receipt of the OPEB Claims Report to review the OPEB Claims Report and notify HCPH and the Monitor of any discrepancies noted in the OPEB Claims Report.

   ii) Mercer, HCPH, the Monitor and Representative Counsel, along with its actuary, will then work as expeditiously as possible to resolve any discrepancy identified by Representative Counsel.

47. The OPEB Claims Procedure Order the provides for notice to be given to each individual identified as having an OPEB Claim, within 15 business days following the later of a) November 30, 2011 or b) the resolution of any discrepancies noted in the OPEB Claims Report pursuant to the resolution mechanism described above, as follows:

   i) the Monitor shall, in consultation with Representative Counsel, prepare and send to each holder of an OPEB Claim, at the address provided on the Master Listing, a notice of the OPEB Claim substantially in the form set out in Schedule 'C' to the OPEB Claims Procedure Order (the "**OPEB Claim Notice**"), which OPEB Claim Notice shall attach Mercer's calculation of the individual's OPEB Claim;

ii) the Monitor shall provide to Representative Counsel a copy of each individual's OPEB Claim Notice at the same time as it is provided to the relevant OPEB Plan members; and

iii) no further or other notices shall be required in respect of any OPEB Claim.

48. To address any disputes after the OPEB Claim Notice is delivered to the individuals having an OPEB Claim, the OPEB Claims Procedure Order provides as follows:

i) Any OPEB Plan member who wishes to dispute the accuracy of the OPEB Claim or other information on the OPEB Claim Notice shall provide notice of such dispute (the "**Disputed OPEB Claim**") in writing to Representative Counsel within 20 days of the date the Monitor sends the applicable OPEB Claim Notice. OPEB Claims that are not disputed by the OPEB Plan members within the required time are binding on the OPEB Plan members and beneficiaries.

ii) Representative Counsel is required to advise HCPH and the Monitor of any Disputed OPEB Claim forthwith on receipt of such Disputed OPEB Claim.

iii) If any Disputed OPEB Claim cannot by resolved by Representative Counsel, HCPH and the Monitor within 20 business days of the receipt of the Disputed OPEB Claim by Representative Counsel, such Disputed OPEB Claim may be referred to this Honourable Court for resolution.

iv) If an amendment to a Disputed OPEB Claim is agreed upon by Representative Counsel, HCPH and the Monitor, or ordered by the Court (the "**Claim Amendment**"), such Claim Amendment shall be provided to Mercer to amend the OPEB Claims Report.

49. The Monitor is of the view that the termination of OPEB Plans is necessary for Mercer to value the OPEB Claims and the process described earlier in this Ninth Report provides OPEB Plan members with adequate notice with respect to the termination of OPEB benefits and adequate time to submit Pre Termination Claims and review their individual OPEB Claims. The Monitor shall report to this Honourable Court with respect to the

outcome of the OPEB Claims process and work with HCPH and Representative Counsel to complete the OPEB Claims process in a fair and efficient manner.

ACTUAL CASH RECEIPTS AND DISBURSEMENTS

50. A summary of the actual receipts and disbursements of the Applicant as compared to the projection set out in the Seventh Report is attached as Appendix A to this Ninth Report.

51. The Applicant's actual consolidated net cash outflow for the period from March 28, 2011 to July 10, 2011 was $2.5 million. A detailed variance analysis is set out in Appendix 'A' to this Ninth Report.

UPDATED CASH FLOW PROJECTION

52. HCPH, with the assistance of the Monitor, has prepared a cash flow projection (the "**Cash Flow Forecast**") for the period from July 11, 2011 to December 4, 2011 (the "**Projection Period**"), a copy of which is attached as Appendix 'B' to this Ninth Report. The Cash Flow Forecast has been prepared by management of HCPH, using probable and hypothetical assumptions set out in notes 1 to 10 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the Projection Period in Canadian dollars.

53. The Applicant is projecting a net cash outflow of approximately $2.4 million during the Projection Period. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity to operate during the proposed Stay Period.

54. Based on the Monitor's review of the Cash Flow Forecast, the assumptions developed by management are suitably supported and provide a reasonable basis for the Cash Flow Forecast. Further, the Cash Flow Forecast reflects these assumptions and is consistent with the plans of HCPH.

STAY EXTENSION

55. The current Stay Period under the Initial Order expires on July 31, 2011. The Applicant is seeking an extension of the Stay Period to November 30, 2011 in order to permit HCPH the time to complete the wind up the Pension Plans, complete the process for the determination of its OPEB liabilities and develop a CCAA plan.

56. Based on its observation of the Applicant's wind down process, it is the Monitor's view that the Applicant has acted in accordance with the Initial Order and other Orders of this Honourable Court, and that the Applicant is acting in good faith and with due diligence.

RECOMMENDATIONS

57. The Monitor supports the relief sought by the Applicant and recommends that the Order be made, if this Honourable Court sees fit:

    i) authorizing the termination of the OPEB Plans;

    ii) approving the Notice of OPEB Termination Date and the process for the delivery of the Notice of OPEB Termination Date;

    iii) authorizing a process for the submission of Pre-Termination Claims;

    iv) approving the timeline for the submission of claim summaries and the OPEB Claims Report;

    v) approving the Notice of OPEB Claim and the process for the delivery of the Notice of OPEB Claim;

    vi) extending the Stay Period to November 30, 2011; and

    vii) approving this Ninth Report and the conduct and activities of the Monitor as reported on herein and the conduct and activities of the CRO as described in the Byrd Affidavit.

All of which is respectfully submitted this 27th day of July, 2011.

ERNST & YOUNG INC.
in its capacity as Court Appointed Monitor of
Hollinger Canadian Publishing Holdings Co.

Per:

Alex Morrison
Senior Vice President

Simone Carvalho
Vice President

APPENDIX A

Hollinger Canadian Publishing Holding Co
Cumulative Consolidated Receipts and Disbursements
For the Period March 28, 2011 to July 10, 2011
(In Thousands of Canadian Dollars)

	Actual	Projection	Variance	Note
OPENING BANK BALANCE (In $CDN)	**21,035**	**21,035**	-	
RECEIPTS				
MAV II ABCP Note Payments Received	-	-	-	
Interest Income	64	58	6	
Other	-	-	-	
Total Receipts	64	58	6	
DISBURSEMENTS				
Payroll	(71)	(72)	1	
Consultants	(110)	(202)	92	1
Registered Pension Plan Contributions	(11)	(49)	38	
Unfunded Pension Plan Payments	(624)	(623)	(0)	
Post Employment and Post Retirement Benefits	(670)	(455)	(215)	2
General & Administrative Costs	(48)	(54)	6	
Restructuring Costs	(1,009)	(933)	(76)	3
Total Disbursements	(2,542)	(2,387)	(155)	
NET CASH INFLOW/(OUTFLOW)	(2,479)	(2,329)	(149)	
CLOSING BANK BALANCE	**18,557**	**18,706**	**(150)**	
Indemnity Trust (Not available to HCPH)	7,760			4

Hollinger Canadian Publishing Holding Co. ("Applicant")
Combined Actual Receipts and Disbursements
For the Period March 28, 2011 to July 10, 2011
Variance Analysis

The actual receipts and disbursements are denominated in Canadian dollars. U.S. dollars are converted to Canadian dollars at the month end exchange rate as published by the Bank of Canada. In the projection, U.S. dollars are converted to Canadian dollars at the exchange rate of US$1.00=CDN$0.9714.

1. **Consultants** – The favourable variance is primarily due to lower than anticipated costs and a classification difference between the Consultant and Restructuring line items.

2. **Post Employment and Post Retirement Benefits** – The unfavourable variance is primarily due to certain costs not being reflected in the projection. There is no significant change in run rates of OPEB Plan payments.

3. **Restructuring Costs** – The unfavourable variance is primarily due to the classification difference as described in Note 1 and higher than anticipated restructuring costs.

4. **Indemnity Trust** –Withdrawals of approximately $1.2 million for professional fees were made during this period from the indemnity trust for certain defamation actions not related to these CCAA proceedings. The indemnity trust (the "**Trust**") is further described in the affidavit of Thomas Kram dated December 8, 2009 (the "**Kram Affidavit**"). As described in the Kram Affidavit, this Trust is irrevocable and the assets within the Trust cannot be used for the benefit of HCPH until the termination of the Trust.

APPENDIX B

Hollinger Canadian Publishing Holdings Co. ("Applicant") Cash Flow Projection
For The Period From July 11, 2011 to December 4, 2011
(In Thousands of Canadian Dollars)

		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Week Ending	**Notes**	**17-Jul**	**24-Jul**	**31-Jul**	**7-Aug**	**14-Aug**	**21-Aug**	**28-Aug**	**4-Sep**	**11-Sep**	**18-Sep**	**25-Sep**	**2-Oct**	**9-Oct**	**16-Oct**	**23-Oct**	**30-Oct**	**6-Nov**	**13-Nov**	**20-Nov**	**27-Nov**	**4-Dec**	**Total**
Opening Bank Balance	1	18,557	18,058	18,038	17,857	17,514	17,451	17,406	17,389	17,272	17,085	16,993	16,976	16,854	16,667	16,599	16,558	16,537	16,424	16,186	16,163	16,142	18,557
Receipts																							
Interest Income	2	-	8	-	7	-	7	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	64
Total Receipts		-	8	-	7	-	7	-	6	-	6	-	6	-	6	-	6	-	6	-	6	-	64
Disbursements																							
Payroll	3	(17)	-	(6)	-	(10)	(6)	-	(6)	-	(17)	-	(6)	-	(10)	(6)	-	(6)	(10)	(6)	-	(6)	(115)
Consultants	4	(37)	(7)	-	(7)	(36)	(7)	-	(7)	-	(43)	-	(7)	-	(43)	-	(7)	-	(43)	-	(7)	-	(251)
Registered Pension Plan Contributions	5	-	-	-	-	-	-	-	-	-	-	-	(5)	-	-	-	-	-	-	-	-	-	(5)
Unfunded Pension Plan Payments	6	-	-	-	(156)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(156)
Post Employment and Post Retirement Benefits	7	(37)	-	(157)	4	-	(18)	-	(90)	(0)	(18)	-	(90)	(0)	-	(18)	-	(90)	-	-	-	(0)	(514)
General & Administrative Costs	8	(6)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(80)
Restructuring Costs	9	(403)	(15)	(15)	(185)	(15)	(15)	(15)	(15)	(185)	(15)	(15)	(15)	(185)	(15)	(15)	(15)	(15)	(185)	(15)	(15)	(15)	(1,383)
Total Disbursements		(499)	(27)	(181)	(350)	(63)	(52)	(17)	(123)	(187)	(98)	(17)	(128)	(187)	(74)	(41)	(27)	(113)	(244)	(23)	(27)	(24)	(2,503)
Net Weekly Cash Flows		(499)	(20)	(181)	(343)	(63)	(45)	(17)	(117)	(187)	(92)	(17)	(122)	(187)	(68)	(41)	(21)	(113)	(238)	(23)	(21)	(24)	(2,439)
Closing Bank Balance		18,058	18,038	17,857	17,514	17,451	17,406	17,389	17,272	17,085	16,993	16,976	16,854	16,667	16,599	16,558	16,537	16,424	16,186	16,163	16,142	16,118	16,118
Indemnity Trust (not available to HCPH)	10	7,760																					

Note: This trust is irrevocable and the assets within the trust cannot be used for the benefit of HCPH until the termination of the trust.

In the Matter of the CCAA of Hollinger Canadian Publishing Holdings Co. ("HCPH" or the "Applicant")
Notes to the Unaudited Cash Flow Projection

Disclaimer:

In preparing this cash flow projection (the "**Cash Flow Forecast**"), the Applicant has relied upon unaudited financial information and the Applicant has not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the unfunded pension plans and the post retirement and post employment benefit plans. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Applicant has prepared the Cash Flow Forecast based primarily on historical payments. Receipts and disbursements are denominated in Canadian dollars.

Assumptions:

1) **Opening Balance:**
This is the projected opening cash balance of the Applicant at the commencement of the CCAA proceedings and includes funds held in Canadian dollars and U.S. dollars that were converted into Canadian dollars at US$ 1 = CDN$ 0.9645 exchange rate.

2) **Interest Income:**
Interest income on available cash is earned at a projected rate of 1% and projected to be received bi-weekly.

3) **Payroll:**
Payroll represents projected salaries and benefit costs to two employees who are based in HCPH's Toronto office and the cost of a Sun Times Media Productions employee in Chicago.

4) **Consultants:**
Consultants represent projected fees of HCPH's Chief Restructuring Officer and costs related to certain legal and other advisors assisting HCPH with non-restructuring issues.

5) **Registered Pension Plan Contributions:**
Pursuant to the wind-up of HCPH's Registered Pension Plans as approved by an Order of this Honourable Court, contributions to registered pension plans (except the Journal Publishing plan) ceased and are no longer reflected in this Cash Flow Forecast. HCPH forecasts contributions to the Journal Publishing plan based on historical run rates.

6) **Unfunded Pension Plan Payments:**
HCPH has two unfunded pension plans that provide retirement and certain death benefits for certain former employees based on individual arrangements with each of the employees included in these plans. Further details of such plans are presented in the Kram Affidavit.

HCPH, in its motion returnable July 28, 2011, is seeking the termination of its OPEB Plans, including the unfunded pension plans. Accordingly, the Cash Flow Forecast projects that contributions will cease after the August 31, 2011 payments have been made.

7) **Post Employment and Post Retirement Benefits:**
HCPH has several post employment and post retirement benefit programs for its former employees. Further details of such programs are presented in the Kram Affidavit.

HCPH forecasts benefit plan payments based on historical run rates. As discussed in the note above, HCPH is contemplating the termination of its OPEB Plans as of August 31, 2011. Therefore, the Cash Flow Forecast assumes August 31, 2011 to be a cut-off date for the OPEB plans. OPEB Plan members have until September 30, 2011 to submit claims incurred prior to August 31, 2011. Accordingly, the Cash Flow Forecast assumes that benefit claims incurred prior to August 31, 2011 which are paid by third part benefit providers will be invoiced to HCPH by such third party benefit providers after September 30, 2011. Accordingly, the Cash Flow Forecast assumes payments in respect of such reimbursements to third party benefit providers will continue until the first week of November.

8) **General and Administrative Costs:**
General and Administrative costs represent projected costs for rent for HCPH's Toronto office, utilities, office supplies and storage costs.

9) **Restructuring Costs:**
Restructuring costs include projected costs related to the fees of HCPH's counsel, the Monitor and its counsel and Representative Counsel.

10) **Restricted Cash:**
The Indemnity Trust balance represents cash held in a trust indenture (the "**Trust**") for certain indemnities and trust payments. As described in the Kram Affidavit, this Trust is irrevocable and the assets within the Trust cannot be used for the benefit of

HCPH until the termination of the Trust. Upon the termination of the Trust, any residual amount returns to HCPH. The restricted cash is reduced on a monthly basis for withdrawals related to professional fees and for certain defamation actions not related to these CCAA proceedings as further described in the Kram Affidavit. The amount of the cash that will remain in the Trust at the end of the Cash Flow Forecast period cannot be determined.