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

THIRD REPORT OF THE MONITOR DATED JULY 26, 2010

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 OPEB Plans (defined below) in respect of issues arising from HCPH's CCAA proceedings that affect such members and/or beneficiaries. The Initial Order provided for a stay of proceedings through to January 8, 2010. The stay of proceedings was subsequently extended to April 15, 2010 and then, pursuant to an Order of this Honourable Court dated April 15, 2010, it was further extended to August 16, 2010 (the "**Stay Period**").

PURPOSE

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

   i) approving the expansion of the appointment of Representative Counsel to act as counsel for all members and beneficiaries of HCPH's pension plans in these CCAA proceedings;

   ii) the status of the Applicant's process to conduct a survey to update its information with respect to its former employees and retirees (the "**Retiree Audit Survey Process**") and the Applicant's motion requesting authorization for the Monitor to accept certain survey forms (the "**Personal Information Statements**") up to the date of the Order arising from the Applicant's motion filed July 22, 2010;

   iii) the status of the Applicant's claims process (the "**Claims Procedure**") to identify claims other than pension and benefit claims and the Applicant's motion to establish a Restructuring Claims Bar Date (as defined in the Claims Procedure Order made on April 15, 2010 (the "**Claims Procedure Order**")) for Restructuring Claims (as defined in the Claims Procedure Order) arising after May 15, 2010 in relation to agreements or other obligations in place before the date of the Initial Order;

   iv) the Applicant's request for authorization to apply to the Superintendent of Financial Services of Ontario for consent to transfer:

      a. certain funds from the pension fund of the Sterling Newspapers Company Pension Plan for Employees of Newspapers Formerly Owned by Thompson Newspapers (the "**Sterling Plan**") to the pension fund of the Hollinger Canadian Publishing Holdings Co. Pension Plan for the Employees of Newspapers Formerly Owned by Thomson Newspapers ("**Thomson Plan**");

      b. certain assets from the Thomson Plan to the CanWest Global Communications Corporation ("**CanWest**") Pension Plan for Vancouver Island Employees, B.C. Registration No. 086435;

v) the Applicant's request for authorization to sell all or part of the Applicant's Asset Based Commercial Paper holdings (the "**ABCP**") in accordance with the procedure set out in this Third Report;

vi) actual receipts and disbursements of the Applicant from April 5, 2010 to July 11, 2010 as well as the Applicant's revised cash flow projection from July 12, 2010 to October 31, 2010;

vii) the motion by the Applicant to extend the Stay Period to October 29, 2010; and

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

TERMS OF REFERENCE

3. In preparing this Third 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. 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 Third Report. Some of the information referred to in this Third 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 (**"CICA"**) 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.

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

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

BACKGROUND

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

7. 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 (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**").

APPOINTMENT OF REPRESENTATIVE COUNSEL TO REPRESENT MEMBERS OF THE PENSION PLANS

8. As described earlier in this Third Report, the Initial Order appointed the law firm of Koskie Minsky LLP as Representative Counsel to act on behalf of the OPEB members in respect of issues arising from HCPH's CCAA proceedings that affect the members and/or beneficiaries of the OPEBs. As described above, in addition to the OPEBs, HCPH has Pension Plans. The members of such Pension Plans were previously not represented by Representative Counsel.

9. The Monitor understands that over the last few months, in addition to providing advice to the OPEB members, Representative Counsel has also received communication from the Pension Plan members, many of whom are also OPEB members, and Representative Counsel has not been able to provide advice to such members. Further to discussions with the Applicant, it is the Monitor's view that Representative Counsel is well suited to act on behalf of the Pension Plan members, given its involvement in these CCAA proceedings to date and its knowledge of HCPH's operations in relation to the Plan

Members. Further, many of the OPEB members are also Pension Plan members and it would be more efficient for such members to be represented by Representative Counsel for both their OPEBs and Pension Plans. In addition, Representative Counsel has been involved in HCPH's Retiree Audit Survey Process and has participated in discussions related to specific issues related to the Plan Members, and is assisting with the analysis of restructuring options with respect to the OPEB members.

10. The proposed order attached to the motion of the Applicant dated July 22, 2010 (the "**Proposed Order**") contemplates that within five days of the receipt of the Proposed Order from this Honourable Court, the Monitor shall post on its website a copy of the notice substantially in the form set out in Schedule 'A' to the Proposed Order (the "**Representative Counsel Notice**") regarding the appointment of Representative Counsel for the Pension Plan members and beneficiaries.

11. The Proposed Order contemplates that persons who previously submitted an "Opt-Out Notice" as set out in the Initial Order with respect to their interest in the OPEBs (the "**Opt-Out Notice**"), but who wish to be represented by Representative Counsel with respect to their interest in the Pension Plans are required to send such request in writing to the Monitor and Representative Counsel by August 31, 2010.

12. The Proposed Order further contemplates that if persons have previously not submitted an Opt-Out Notice with respect to their interest in the OPEBs but do not wish to be represented by Representative Counsel with respect to their interest in the Pension Plans, then such persons are required to send such request in writing to the Monitor and Representative Counsel by August 31, 2010.

STATUS OF THE RETIREE AUDIT SURVEY PROCESS

13. On April 15, 2010, this Honourable Court granted an Order (the "**April 15 Order**") establishing the Retiree Audit Survey Process in order for HCPH to update its records such that its actuary Mercer (Canada) Ltd. ("**Mercer**") would have more accurate information to complete its valuation analysis of HCPH's OPEB and Pension Plans.

14. Pursuant to the April 15 Order, on May 6, 2010, the Monitor sent a Personal Information

Statement to 3,271 Plan Members (the "**Known Plan Members**") based on a list of such Known Plan Members provided by HCPH, which contained information obtained from HCPH's records.

15. Further, as required by the April 15 Order, the Monitor posted a copy of the notice substantially in the form attached as Schedule "B" to the April 15 Order (the "**Retiree Survey Process Notice**") on its website. In addition, the Monitor published the Retiree Survey Process Notice in the National Post newspaper on May 11, 2010 and in the national edition of the Globe and Mail newspaper on May 12, 2010.

16. Subsequently, Personal Information Statements were sent to certain additional persons based on requests made to the Monitor.

17. 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 5.00pm (Toronto time) on June 18, 2010 (the "**Retiree Audit Bar Date**") to provide such information to the Monitor.

18. As of the date of this Report, the Monitor has received 2,171 Personal Information Statements including 64 Personal Information Statements that were received after the June 18, 2010 deadline (the "**Late Personal Information Statements**"). Based on the Monitor's review, it appears that the Late Personal Information Statements were late for several reasons, including delay caused by the Plan Member obtaining supporting documents, Personal Information Statements being received in redirected mail in cases in which the retiree had changed residences and delays in receiving the Personal Information Statements, among other reasons. The Monitor is of the view that since HCPH and the Monitor continue to review and seek additional documentation from Plan Members, there is no real prejudice to accepting the Late Personal Information Statements received to date and a benefit to accepting the corrected or updated information contained in such statements. The Monitor understands that Representative Counsel concurs with this view. Accordingly, HCPH is asking this Honourable Court to authorize and direct the Monitor to accept and receive the Late Personal Information

Statements, which were distributed in accordance with the April 15 Order, up to the date of the Proposed Order.

19. HCPH, with the assistance of the Monitor, is reviewing all Personal Information Statements returned to the Monitor and verifying the information set out therein. HCPH, with the assistance of the Monitor, is also compiling the verified information to be provided to Mercer for its analysis.

20. The April 15 Order provides that if HCPH and the Monitor are not able to verify information contained in the Personal Information Statements, they may request additional information from, and attempt to resolve any discrepancies with the applicable Plan Member and Representative Counsel. Based on the review to date, the Monitor has found a number of Personal Information Statements that did not include supporting documentation to support information presented therein, as required by the form of Personal Information Statement approved in the April 15 Order. In addition, the Monitor notes that several Personal Information Statements received were not signed and witnessed. The Monitor has been contacting the applicable Plan Members to communicate the inconsistencies noted and/or the relevant supporting documentation required. This approach has resulted in certain Plan Members providing the Monitor with the supporting documentation requested. The Monitor is encouraging Plan Members to contact Representative Counsel if they are unable to obtain the required supporting documentation, to discuss the specific issues they face. The Monitor notes that such supporting documentation is necessary in order to update HCPH's records.

STATUS OF THE CLAIMS PROCEDURE

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

22. 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

Known Creditors (as defined in the Claims Procedure Order) identified by HCPH.

23. 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.

24. 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. (Toronto time) on June 18, 2010 (the "**Claims Bar Date**"). Further the Claims Procedure Order set out that any person asserting a Restructuring Claim after May 15, 2010 is required to do so by the "Restructuring Claims Bar Date", which is defined in the Claims Procedure Order as "5:00 p.m. (Eastern Standard Time) on the date established for such purposes by further order of this Court" (the "**Restructuring Claims Bar Date**").

25. The Proposed Order contemplates that the Restructuring Claims Bar Date be 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. As discussed in the Byrd Affidavit, such a "floating" date will provide applicable creditors with the time required to assert their Restructuring Claim.

26. As of June 18, 2010, the Monitor had received 10 claims totalling approximately $5.1 million. The Monitor is reviewing the claims received and will analyse the claims based on the books and records of HCPH. No claims have been accepted by the Monitor to date.

AUTHORIZATION FROM THE SUPERINTENDENT OF FINANCIAL SERVICES OF ONTARIO

27. As set out in the affidavit of Dennis Byrd dated July 22, 2010 (the "**Byrd Affidavit**"), HCPH is seeking to make applications to the Superintendent of Financial Services of

Ontario with respect to two issues that require rectification:

i) According to the Byrd Affidavit, in 2004, $77,789 was inadvertently paid from the Thomson Plan instead of the Sterling Plan in relation to administrative expenses incurred by the Sterling Plan. In order to rectify the error of the payment from the incorrect pension plan, HCPH is requesting the approval of this Honourable Court to apply to the Superintendent of Financial Services of Ontario for consent to transfer $77,789 from the Sterling Plan to the Thomson Plan along with interest at the net rate of return of the fund from June 30, 2004.

ii) As set out in the Byrd Affidavit, HCPH's actuaries have advised that, while active employees of various newspapers formerly owned by HCPH were transferred to CanWest at the time those newspapers were acquired by CanWest in 2001 and while defined contribution assets and liabilities related to some such employees have been transferred to the CanWest pension plan, certain defined contribution assets and liabilities associated with the transferred employees continue to remain in the Thomson Plan. In order to complete such transfer, HCPH is requesting the approval of this Honourable Court to apply to the Superintendent of Financial Services of Ontario for consent to transfer $214,942.95 from the Thomson Plan to the CanWest pension plan for Vancouver Island Employees, B.C. Registration No. 086435 in order to complete the transfer of pension assets that remain in the Thomson Plan after the active employees of various newspapers then owned by HCPH were transferred to CanWest as of January 1, 2001.

SALE OF THE APPLICANT'S ABCP

28. As described in the Kram Affidavit, HCPH holds investments in certain non-bank Asset Backed Commercial Paper Notes (the "**ABCP**"). HCPH's ABCP holdings comprise multiple types and classes of MAV ABCP Notes (the "**ABCP Notes**"), with a total face value of U.S. $14.4 million. These ABCP Notes are complex financial instruments and the market value of these instruments cannot be readily determined by referencing publicly available trading data primarily because these securities have not been actively traded in the secondary markets.

29. As described in the Byrd Affidavit, HCPH has determined that it would be appropriate to engage in a marketing process for purposes of liquidating all or part of the ABCP Notes and unlocking value of the ABCP Notes for the benefit of HCPH and its creditors. Accordingly, in the Proposed Order, HCPH seeks authority to sell all or part of its ABCP in accordance with the procedure described in this Third Report.

30. The first step in the proposed procedure is to gain more information as to the market value and marketability of the ABCP Notes as follows:

   i) HCPH, with assistance of the Monitor, will investigate the possibility of engaging a qualified investment advisor for the possible sale of HCPH's ABCP Notes. HCPH, with the assistance of the Monitor, will interview and evaluate and may select an investment advisor based on an analysis of estimated realization values of the ABCP Notes and the investment advisor's experience and reputation; and

   ii) Simultaneously, HCPH with the assistance of the Monitor will contact investors who might have an interest in acquiring the ABCP Notes.

31. After completing the above steps, HCPH, in consultation with the Monitor, will select an option that will maximize recovery to the stakeholders and either (i) elect to retain an investment advisor for the sale of the ABCP or (ii) proceed to sell ABCP directly to one or more interested investor if, in the view of HCPH and the Monitor there is sufficient interest from investors and recovery for HCPH's stakeholders will be maximized by proceeding with a direct sale, or (iii) report further to this Court. In any event, the Monitor will report to this Honourable Court regarding the outcome of the sale of the ABCP Notes.

ACTUAL CASH RECEIPTS AND DISBURSEMENTS

32. A summary of the actual receipts and disbursements of the Applicant as compared to the projection set out in the Second Report of the Monitor dated April 13, 2010 (the "**Second Report**") is attached as Appendix "A" to this Third Report.

33. The Applicant's actual consolidated net cash outflow for the period from April 5, 2010 to

July 11, 2010 was $1.5 million. The actual net cash outflow was lower than projected by approximately $942,000 primarily as a result of timing differences which are likely to reverse in the future.

UPDATED CASH FLOW PROJECTION

34. HCPH, with the assistance of the Monitor, had prepared a cash flow projection (the "**Cash Flow Forecast**") for the period from July 12, 2010 to October 31, 2010 (the "**Projection Period**"), a copy of which is attached as Appendix "B" to this Third Report. The Cash Flow Forecast has been prepared by management of HCPH, using probable and hypothetical assumptions set out in notes 1 to 12 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.

35. The Applicant is projecting a net cash outflow of approximately $2.7 million during the Projection Period.

36. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity to operate during the proposed Stay Period.

37. 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

38. The current stay of proceedings under the Initial Order expires on August 16, 2010. The Applicant is seeking an extension of the stay period to October 29, 2010 in order to permit HCPH the time to complete the Retiree Audit Survey Process, the Claims Procedure, continue to share information with Representative Counsel, provide updated information obtained through the Retiree Audit Survey Process to Mercer and begin the process of analyzing long term alternatives with respect to addressing its liabilities.

39. It is the Monitor's view that the Applicant has acted in accordance with the Initial Order

and that the Applicant is acting in good faith and with due diligence.

RECOMMENDATIONS

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

   i) an order approving the appointment of Representative Counsel to act as counsel for all members and beneficiaries of HCPH's pension plans in these CCAA proceedings;

   ii) an order authorization the Monitor to accept Personal Information Statements up to the date of the Proposed Order;

   iii) an order establishing the Restructuring Claims Bar Date as defined in Claims Procedure Order for Restructuring Claims arising after May 15, 2010;

   iv) an order authorizing the Applicant to apply to the Superintendent of Financial Services of Ontario for consent to transfer:

      a. certain funds from the Sterling Plan to the Thomson Plan;

      b. certain assets from the Thomson Plan to the CanWest Pension Plan for Vancouver Island Employees, B.C. Registration No. 086435;

   v) an order authorizing the Applicant to sell all or part of the Applicant's ABCP in accordance with the procedure set out in this Third Report;

   vi) an order extending the Stay Period to October 29, 2010; and

   vii) an order approving this Third Report and the conduct and activities of the Monitor as reported on herein.

All of which is respectfully submitted this 26th day of July, 2010.

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 April 5, 2009 to July 11, 2010

	Actual	Projection	Variance	Note
OPENING BANK BALANCE (In $CDN)	**22,175**	**22,175**	**-**	
RECEIPTS				
MAV II ABCP Note Payments Received	12	-	12	
Interest Income	19	15	4	
Other	504	-	504	1
Total Receipts	535	15	521	
DISBURSEMENTS				
Payroll	(66)	(69)	3	
Consultants	(2)	(49)	47	
Registered Pension Plan Contributions	(65)	(147)	82	2
Unfunded Pension Plan Payments	(498)	(494)	(4)	
Post Employment and Post Retirement Benefits	(362)	(547)	184	3
General & Administrative Costs	(29)	(47)	18	
Restructuring Costs	(991)	(1,081)	90	4
Total Disbursements	(2,012)	(2,434)	422	
NET CASH INFLOW/(OUTFLOW)	(1,477)	(2,419)	942	
CLOSING BANK BALANCE	**20,698**	**19,756**	**941**	
Restricted Cash	10,618	10,836	(218)	5
ABCP Notes (US$ Face Value)	14,400	14,400	-	6

Hollinger Canadian Publishing Holding Co. ("Applicant")
Combined Actual Receipts and Disbursements
For the Period April 5, 2010 to July 11, 2010
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$1.07.

1. **Other Income**– The positive variance is primarily due to the receipt of funds released from two dormant bank accounts under a predecessor name pursuant to the Court Order of April 15, 2010. One of the two dormant bank accounts was previously included in restricted cash. The Applicant did not contemplate the receipt of these funds in the projection.

2. **Registered Pension Plan Contributions** - The favourable variance is primarily due to lower than anticipated contributions and a timing difference. The variance related to the timing difference is expected to reverse in the future.

3. **Post Employment and Post Retirement Benefits** – The favourable variance is primarily due to the receipt of a reimbursement from a long term disability plan, which was not contemplated in the projection.

4. **Restructuring Costs** – The positive variance is primarily due to a timing difference and is expected to reverse in the future.

5. **Restricted Cash** – As described in Note 1, the unfavourable variance is primarily due to the release of funds from restricted cash to unrestricted cash from the two dormant accounts. The projection did not contemplate the release of these funds.

6. **ABCP Notes** – The balance represents the face value of the Notes held by HCPH in U.S. currency.

APPENDIX B

Hollinger Canadian Publishing Holdings Co. (the "Applicant") Cash Flow Projection
For The Period From July 12, 2010 to October 31, 2010
(In Thousands of Canadian Dollars)

Week Ending	Notes	18-Jul	25-Jul	1-Aug	8-Aug	15-Aug	22-Aug	29-Aug	5-Sep	12-Sep	19-Sep	26-Sep	3-Oct	10-Oct	17-Oct	24-Oct	31-Oct	Total
Opening Bank Balance	1	20,697	20,608	20,287	20,051	19,792	19,785	19,577	19,367	19,132	19,125	18,967	18,714	18,485	18,487	18,291	18,219	20,697
Receipts																		
ABCP Note Receipts	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	3	-	2	-	2	-	2	-	2	-	2	-	2	-	2	-	2	16
Total Receipts		-	2	-	2	-	2	-	2	-	2	-	2	-	2	-	2	16
Disbursements																		
Payroll	4	(6)	(3)	(11)	(2)	-	(11)	-	(6)	-	(6)	(11)	(6)	-	(6)	(11)	-	(81)
Consultants	5	-	(7)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	-	(7)	-	(7)	(56)
Registered Pension Plan Contributions	6	(11)	-	(7)	-	-	-	(11)	-	-	-	(9)	-	-	-	-	(13)	(52)
Unfunded Pension Plan Payments	7	-	-	-	(167)	-	-	-	(167)	-	-	-	(167)	-	-	-	-	(500)
Post Employment and Post Retirement Benefits	8	(20)	(136)	(6)	(22)	22	(124)	-	(28)	22	(124)	-	(28)	22	(160)	-	-	(583)
General & Administrative Costs	9	(0)	(7)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(5)	(2)	(2)	(55)
Restructuring Costs	10	(51)	(170)	(209)	(60)	(25)	(65)	(195)	(25)	(25)	(19)	(229)	(19)	(19)	(19)	(59)	(164)	(1,351)
Total Disbursements		(89)	(323)	(236)	(261)	(7)	(211)	(210)	(237)	(7)	(160)	(253)	(231)	2	(198)	(71)	(186)	(2,678)
Net Weekly Cash Flows		(89)	(321)	(236)	(259)	(7)	(209)	(210)	(235)	(7)	(158)	(253)	(229)	2	(196)	(71)	(184)	(2,662)
Closing Bank Balance		20,608	20,287	20,051	19,792	19,785	19,577	19,367	19,132	19,125	18,967	18,714	18,485	18,487	18,291	18,219	18,035	18,035
Restricted Cash	11	9,069	9,069	9,069	9,069	9,019	9,019	9,019	9,019	8,969	8,969	8,969	8,969	8,969	8,919	8,919	8,919	8,919
ABCP Notes (Face Value)	12	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400

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 contributions to the registered pension plans, 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:**
The opening balance includes funds held in Canadian dollars and U.S. dollars that were converted into Canadian dollars at US$ 1 = CDN$ 1.0646 exchange rate.

2) **ABCP Note Receipts:**
The Cash Flow Forecast assumes that no receipts from the ABCP notes will be received during this projection period.

3) **Interest Income:**
Interest income on available cash is earned at a projected rate of 0.28% and projected to be received bi-weekly.

4) **Payroll:**
Payroll represents projected salaries and benefit costs to three employees. In addition, payroll costs include costs with respect to services provided to HCPH by a Sun Times employee, who receives compensation from Sun Times.

5) **Consultants:**
Consultants represent projected costs to certain legal and other advisors assisting HCPH with non-restructuring issues.

6) **Registered Pension Plan Contributions:**
HCPH has certain registered pension plans for its former employees. Further details of such plans are presented in the affidavit of Thomas L. Kram filed in connection with the application for an initial order pursuant to the Companies' Creditors Arrangement Act (the "**Kram Affidavit**"). The projected payments included in this Cash Flow Forecast represent funding payments to the pension plans based on the most recent valuation reports received by HCPH from its actuary Mercer (Canada) Ltd. ("**Mercer**"). The projected payments are calculated based on the minimum employer contributions identified by Mercer for each of the plans.

7) **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. The projected payments included in this Cash Flow Forecast are based on historical run rates.

8) **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. The projected payments included in this Cash Flow Forecast are based on historical run rates for each of the benefit plans.

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

10) **Restructuring Costs:**
Restructuring costs include projected costs related to the fees of the Chief Restructuring Officer, HCPH's counsel, the Monitor and its counsel and Representative Counsel for the plan members.

11) **Restricted Cash:**
As described in the Kram Affidavit, HCPH established a trust (the "**Trust**") for the defence and payment of liabilities for which certain former directors, officers, consultants and advisors of Sun times Media Group may become liable. The Restricted Cash balance represents cash held as reserve for such payments that are required to be made from the Trust. The restricted cash is reduced on a monthly basis for withdrawals related to professional fees for certain defamation actions with respect to former directors and officers not related to these CCAA proceedings. HCPH anticipates that the Restricted Cash balance will decrease to approximately $8.9 million at the end of the forecast period based on the run rate of previous amounts withdrawn from the Trust.

The Restricted Cash balance previously included approximately $1.4 million held in trust for former Pacific Trust employees. Such amount has been removed from the

Restricted Cash balance as this amount is not held in an account managed or controlled by HCPH.

12) ABCP Notes:
Represents the face value of the ABCP Notes held by HCPH in U.S. currency.