Court File No. 07-CL-7120

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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** and **SUGRA LIMITED**

Applicants

MOTION RECORD

(Consent to Cease Trade Order, De-listing of Shares and Extension of AGM Date)
(returnable July 21, 2008)

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Solicitors for the Applicants

INDEX

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MOTION RECORD INDEX

Tab 1

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Applicants

NOTICE OF MOTION

(Consent to Cease Trade Order, De-listing of Shares and Extension of AGM)

THE APPLICANTS will make a motion before the Honourable Mr. Justice Morawetz on Monday, July 21, 2008 at 9:30 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an Order:

   (a) authorizing Hollinger Inc. ("Hollinger") and Ernst & Young Inc., the Monitor for Hollinger in these proceedings (the "Monitor"), to consent to an Order to be issued by the Ontario Securities Commission (the "OSC"), substantially in the form of the draft Order attached as Exhibit "B" to the Affidavit of William E. Aziz sworn July 14, 2008, and to take any ancillary steps necessary to implement same;

(b) authorizing Hollinger and the Monitor to consent to the de-listing from the Toronto Stock Exchange (the "TSX") of its common shares and Series II preference shares and to take any ancillary steps necessary to implement same;

(c) if the requested relief is granted pursuant to (a) and (b) above, an Order authorizing Hollinger to terminate its existing arrangements with Computershare Investor Services Inc. for the provision of transfer agent, registrar and related services, effective upon the de-listing of Hollinger from the TSX;

(d) extending the date by which Hollinger is required to call an annual meeting of shareholders, with such extended date to be six months following the expiry of the Stay Period (as defined in the Initial Order in this proceeding dated August 1, 2007), as such Stay Period has been and may be extended by further Order of this Honourable Court; and

(e) for such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. In the interests of reducing costs for the benefit of their stakeholders and because of the disclosure provided by the Applicants through the CCAA process, Hollinger determined that the costs of preparing and filing audited financial statements and other annual disclosure documents were disproportionately greater than any benefit to be derived therefrom. The Monitor concurred with this analysis.

2. As a result, Hollinger has been and continues to be in default of its continuous disclosure filing requirements under Canadian securities laws following June 30, 2008.

3. The OSC has provided Hollinger with a draft form of Cease Trade Order ("CTO") to be issued by the OSC on a date to be determined, which CTO will apply to all securities of Hollinger, subject to certain exceptions to permit specified trades.

4. The exceptions will permit, among other things, trades in Hollinger's securities that are made by or to an entity that qualifies as an "accredited investor" as that term is defined

under applicable Canadian securities laws. This exception and others in the CTO are intended to provide for a limited amount of trading in circumstances that are consistent with the investor protection rationale underlying the CTO. This exception will allow, among other things, large institutional shareholders with a continued opportunity to trade their securities.

5. The OSC has requested that Hollinger and the Monitor consent to the issuance of the CTO, which Hollinger and the Monitor are prepared to do subject to obtaining authorization from this Honourable Court.

6. Hollinger has also been advised by the TSX that the TSX intends to initiate a process that will result in the de-listing of Hollinger's common shares and Series II preference shares from the TSX, following the issuance of the CTO.

7. The TSX has requested that Hollinger and the Monitor consent to the de-listing of Hollinger's common shares and Series II preference shares from the TSX.

8. Hollinger is of the view that, upon a CTO being issued, there is no benefit in continuing to pay listing fees to the TSX and, accordingly, it is prepared to consent to the de-listing, provided it is authorized by this Honourable Court to give such consent.

9. At this time, and subject to contingent future events including the Applicants' ongoing pursuit of the litigation assets and any value to be realized in the future regarding their interest in Sun-Times Media Group, Inc., the Applicants and the Monitor are of the view that there is a significant risk that there will not be adequate recoveries from the Applicants' assets for there to be any residual value for the Series II preference or common shareholders of Hollinger.

10. The *Canada Business Corporations Act* (the "CBCA") requires that an annual general meeting of shareholders ("AGM") be called not later than fifteen months following the preceding AGM (which was held on September 27, 2007), but in any event no later than six months following the end of the immediately preceding financial year (March 31, 2008). Accordingly, Hollinger is required to call an AGM no later than the end of September, 2008.

11. There are significant costs incurred in connection with the preparation for and holding of an AGM. Consistent with Hollinger's goal of reducing costs for the benefit of its stakeholders, Hollinger is of the view that it is in the best interests of its stakeholders that such costs not be incurred at this time, at least until it is determined whether there will be any residual recovery for the Series II preference or common shareholders of Hollinger, after payment of all creditors' claims.

12. Contemporaneously with the service of the motion materials seeking the Order requested herein, Hollinger will be issuing a press release to inform the market at large, including its securityholders, of the authorization being sought.

13. Section 133(3) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

14. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

15. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. Affidavit of William E. Aziz sworn July 14, 2008.

2. Such further material as counsel may advise and this Honourable Court may permit.

July 14, 2008

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TO: **THIS HONOURABLE COURT**

AND TO: **THE SERVICE LIST ATTACHED**

AND TO: **COMPUTERSHARE INVESTOR SERVICES INC.**
100 University Avenue
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Toronto, ON M5J 2Y1

Attention: Shirley Yuen
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Service List

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(July 10, 2008)

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

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Court File No. 07-CL-7120

ONTARIO

SUPERIOR COURT OF JUSTICE

(Commercial List)

Proceeding Commenced at Toronto

NOTICE OF MOTION

(CONSENT TO CEASE TRADE ORDER, DE-LISTING OF SHARES AND EXTENSION OF AGM DATE)

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Tab 2

Court File No. 07-CL-7120

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 PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC.** and **SUGRA LIMITED**

Applicants

AFFIDAVIT OF WILLIAM E. AZIZ
(sworn July 14, 2008)

I, **William E. Aziz**, of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Restructuring Officer ("CRO") of Hollinger Inc ("Hollinger"), Sugra Limited and 4322525 Canada Inc. (formerly 504468 N.B. Inc.), the Applicants in this CCAA proceeding, having been appointed by Order of this Honourable Court dated May 21, 2008.

2. Hollinger is a publicly held investment holding company and a "mutual fund corporation" under the *Income Tax Act* (Canada). Its issued and outstanding shares consist of Series II preference shares and common shares which are publicly traded on the Toronto Stock Exchange ("TSX").

3. Since commencing this proceeding on August 1, 2007, the Applicants have taken a number of steps to significantly reduce costs in an effort to maximize recoveries for their stakeholders. Those steps have been outlined in prior affidavits sworn by G. Wesley Voorheis,

the former Chief Executive Officer of the Applicants, and in reports prepared by Ernst & Young Inc., the Monitor in this proceeding (the "Monitor"), all of which have previously been filed with this Court.

4. In the interests of reducing costs for the benefit of their stakeholders and because of the disclosure provided by the Applicants through the CCAA process, Hollinger determined that the costs of preparing and filing audited financial statements and other annual disclosure documents were disproportionately greater than any benefit to be derived therefrom. The Monitor concurred with this analysis. Correspondence on this matter between Hollinger and the Monitor dated May 28, 2008 and May 30, 2008 is annexed hereto and marked as Exhibit "A".

5. Following discussions with the Monitor, Hollinger determined that it would not incur the significant cost required to prepare or file audited financial statements in respect of Hollinger's financial year ended March 31, 2008. As a result, Hollinger has been and continues to be in default of its continuous disclosure filing requirements under Canadian securities laws following June 30, 2008.

6. I am informed by James Reid of the Applicants' corporate counsel herein, Davies Ward Phillips & Vineberg LLP, and believe, that as a result of Hollinger's default in its filing requirements, the Ontario Securities Commission (the "OSC") has indicated that a cease trade order ("CTO") will be issued by the OSC in the interests of investor protection, substantially in the form annexed hereto and marked as Exhibit "B".

7. The CTO will apply to all securities of Hollinger but will contain certain carve-outs to permit trades in Hollinger's securities that are made: (i) in connection with these CCAA proceedings; (ii) for nominal consideration for the purposes of permitting a holder to crystallize a

tax loss; or (iii) by or to an "accredited investor" as that term is defined under applicable Canadian securities laws. The latter exception will provide large institutional shareholders with a continued opportunity to trade their securities.

8. If the requested relief is granted by this Honourable Court, Hollinger intends to immediately issue a press release advising of Hollinger's consent to the issuance of the CTO and de-listing from the TSX, and any other relevant information available at such time.

9. The OSC has requested that Hollinger and the Monitor consent to the issuance of the CTO, which Hollinger and the Monitor are prepared to do subject to obtaining authorization from this Honourable Court.

10. I have also been advised by Mr. Reid, and believe, that the TSX intends to initiate a process that will result in the de-listing of Hollinger's common shares and Series II preference shares from the TSX, following the issuance of the CTO.

11. The TSX has requested that Hollinger and the Monitor consent to the de-listing of Hollinger's common shares and Series II preference shares from the TSX. I am of the view that, upon the proposed CTO being issued, there will be no benefit in Hollinger continuing to pay listing fees to the TSX. Accordingly, Hollinger is prepared to consent to the de-listing, provided Hollinger is authorized by this Honourable Court to give such consent.

12. Hollinger has existing arrangements with Computershare Investor Services Inc. ("Computershare") for the provision of certain services including that of transfer agent and registrar for its TSX-listed shares. If the requested Order is granted by this Honourable Court, the CTO is issued and Hollinger is de-listed by the TSX, the only trading in Hollinger securities

will be off the TSX and pursuant only to the carve-outs specified in the CTO. As such, the services provided by Computershare may no longer be required and Hollinger may wish to terminate the existing agreement with Computershare in an effort to minimize ongoing costs to the Applicants and their stakeholders, subject to making a final determination as to the utility and necessity of retaining the services of Computershare. Hollinger intends to terminate its agreement with Computershare, subject to obtaining authorization to do so from this Honourable Court.

13. Computershare is the escrow agent for the retractable common shares of Hollinger that have been tendered by shareholders for redemption, but that have not been redeemed. Accordingly, the Order requested by the Applicants includes a requirement that Computershare immediately return those shares to their owners.

14. While the claims process authorized by Order of this Court dated May 21, 2008 has only just begun, it is the preliminary view of the Applicants and the Monitor that, subject to contingent future events including the Applicants' ongoing pursuit of the litigation assets and any value to be realized in the future in respect of their interest in Sun-Times Media Group, Inc., there is a significant risk that there will not be adequate recoveries from the Applicants' assets for there to be any residual value for the Series II preference or common shareholders of Hollinger.

15. The *Canada Business Corporations Act* requires that an annual general meeting of shareholders ("AGM") be called not later than fifteen months following the prior AGM (which was held on September 27, 2007) but in any event no later than six months following the end of the immediately preceding financial year (March 31, 2008). Accordingly, Hollinger is required

to call an AGM no later than the end of September, 2008 unless it obtains a court Order providing it with an extension.

16. There are significant costs incurred in connection with the preparation for and holding of an AGM. The costs to be incurred by the Applicants in connection with Hollinger's next AGM are estimated to be approximately $25,000 - $50,000. Consistent with the Applicants' goal of reducing costs for the benefit of its stakeholders, I am of the view that it is in the best interests of the Applicants' stakeholders that these costs not be incurred at this time, at least until it is determined whether there will be any residual recovery for the Series II preference or common shareholders of Hollinger, after payment of all creditors' claims.

17. The existing Stay Period (as defined in the Initial Order of this Honourable Court dated August 1, 2007) expires on November 30, 2008. Hollinger requests an extension of the date by which it must call an AGM for a period of six months following the expiry or earlier termination of the Stay Period, as same may be extended from time to time.

18. Contemporaneously with the service of the motion materials seeking the Order requested herein, Hollinger will be issuing a press release to inform the market at large, including its securityholders, of the authorization being sought. A copy of that press release is annexed as Exhibit "C" hereto.

19. I make this Affidavit in support of the Applicants' request for certain relief as set out in the Notice of Motion dated July 14, 2008 and for no other or improper purpose.

SWORN BEFORE ME at)
the City of Toronto, in the)
Province of Ontario, this)
14th day of July, 2008)

WILLIAM E. AZIZ

A Commissioner for taking Affidavits, etc.

RACHELLE M. MONCUR.

EXHIBIT "A"

EXHIBIT "A"

Hollinger

WILLIAM E. AZIZ
Chief Restructuring Officer

TELEPHONE: (416) 363-8721 x 262
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baziz@hollingerinc.com

May 28, 2008

CONFIDENTIAL

BY FAX AND BY COURIER

Mr. Brian Denega,
Senior Vice President,
Ernst & Young Inc.,
Ernst & Young Tower,
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

Dear Mr. Denega:

RE: Hollinger Inc. (the "Company") – Requirement to Audit the Company's Financial Statements for the Year Ended March 31, 2008

Hollinger Inc., as a reporting issuer under Canadian securities laws, is required to prepare and file (with Canadian securities regulatory authorities) audited financial statements in respect of its financial year ended March 31, 2008 within 90 days of such financial year end (effectively, by Friday, June 27, 2008 because the 90th day after year end is Sunday, June 29, 2008).

Please advise if, in your view as Monitor, Hollinger Inc. will be provided the consent of the Monitor to incur the expenses involved in the preparation and audit of such audited financial statements. We estimate these costs to be approximately $150,000 for audit and additional costs of approximately $30,000 to $50,000 for legal and other costs of review, preparation and printing.

Should you wish to discuss this matter further please contact me.

Yours very truly,

William E. Aziz
Chief Restructuring Officer
Hollinger Inc.

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Via E-mail

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May 30, 2008

Dear Mr. Aziz:

Re: *Hollinger Inc. ("Hollinger" or the "Company")*

We are writing to respond to your letter dated May 28, 2008 asking whether Hollinger will be provided the consent of the Monitor to incur expenses relating to the preparation and audit of financial statements for the year ended March 31, 2008, which expenses are estimated to be approximately $200,000.

While pursuant to the Initial Order issued in Hollinger's CCAA proceedings, the Company may have the technical right to incur and pay these expenses, the Monitor, as an officer of the Court and on behalf of the financial stakeholders of the CCAA Applicants, questions the business rationale or justification for such expenditures.

The Monitor is of the view that the decision concerning these expenditures should be made in the context of the state of the Company, ongoing Court supervision, involvement of the Monitor and monthly public reporting that has been mandated by the Court. It should be noted that the creditors of the Company are expected to incur a significant shortfall on their debt claims and therefore it is almost a certainty that there will be no recovery to Hollinger's shareholders absent a very successful recovery on litigation assets comprising the litigation trust. Such a recovery will not be in any way immediate.

The Monitor is mindful and respectful of the important role of the Ontario Securities Commission ("OSC") in protecting Hollinger's public shareholders and is hopeful that the legitimate financial interest of Hollinger's stakeholders, including its shareholders, and the relevant concerns and objectives of regulation of public markets can be appropriately balanced in the unique circumstances facing Hollinger at this time.

The Monitor's view is that on a pure financial analysis from the point of view of Hollinger's economic stakeholders, the Company should take whatever steps are available to minimize or to eliminate these costs while being responsive to the OSC.

Accordingly, we suggest that a meeting involving the OSC, Hollinger and the Monitor should be arranged as soon as possible to explore the appropriate arrangements which might be made to achieve the right result.

Yours very truly,

ERNST & YOUNG INC.
Court-appointed Monitor of Hollinger Inc. and certain of its affiliates
Per:

Brian M. Denega
Senior Vice President

EXHIBIT “B”

EXHIBIT "B"

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario
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20, rue queen ouest
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**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (THE "ACT")**

AND

IN THE MATTER OF

HOLLINGER INC.

**ORDER
(Paragraphs 127(1)2 and 2.1)**

WHEREAS Hollinger Inc. (the "Reporting Issuer") is a reporting issuer in Ontario;

AND WHEREAS the Reporting Issuer's common shares and series II preference shares are listed on the Toronto Stock Exchange (the "TSX") under the symbols "HLG.C" and "HLG.PR.B", respectively;

AND WHEREAS the Reporting Issuer issued a press release on August 1, 2007 which announced that it together with certain subsidiaries (collectively, the "Companies") had initiated a Court-supervised restructuring under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA Proceeding") and a companion proceeding in the United States pursuant to Chapter 15 of the U.S. *Bankruptcy Code* (the "U.S. Bankruptcy Code Proceeding"). Pursuant to an Order of the Ontario Superior Court of Justice dated August 1, 2007 issued in connection with the CCAA Proceeding, Ernst & Young Inc. was appointed by the Court as Monitor (the "Monitor") to assist the Companies through their restructuring process;

AND WHEREAS the Reporting Issuer issued a press release on June 16, 2008 that announced that, in the interests of reducing its costs for the benefit of its stakeholders, the Reporting Issuer will not be preparing and filing annual audited financial statements and other annual disclosure documents required by Canadian securities laws in respect of the Reporting Issuer's financial year ended March 31, 2008. Consequently, following June 30, 2008, the Reporting Issuer has been and remains in default of its continuous disclosure filing requirements under Canadian securities laws;

AND WHEREAS the Reporting Issuer failed to file the following continuous disclosure materials as required by Ontario securities law by the required filing deadline of June 30, 2008:

a) audited annual financial statements for the year ended March 31, 2008;

b) management's discussion and analysis ("MD&A") relating to the audited annual financial statements for the year ended March 31, 2008;

c) annual information form for the year ended March 31, 2008; and

CEO and CFO certifications in respect of the foregoing filings;

AND WHEREAS the Director is of the opinion that it is in the public interest to make an order that trading in and acquisitions of the securities of the Reporting Issuer cease, subject to certain permitted exceptions as described herein;

IT IS ORDERED pursuant to paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act that, effective • (the "Effective Date"),

1. subject to paragraph 2 hereof, all trading in and all acquisitions of the securities of the Reporting Issuer, whether direct or indirect, shall cease until further order by the Director;

2. this Order does not apply to the following trades or acquisitions:

    (a) a trade or acquisition in a security of the Reporting Issuer made in connection with i) the CCAA Proceeding and approved by the Ontario Superior Court of Justice, and, if required, ii) the U.S. Bankruptcy Code Proceeding and approved by the U.S. Bankruptcy Court;

    (b) a trade to or acquisition by a person or company in a security of the Reporting Issuer for nominal consideration for the purpose of permitting security holders of the Reporting Issuer to crystallize any losses for tax purposes provided that, prior to such trade or acquisition, such person or company

        (a) receives a copy of this Order; and

        (b) provides a written acknowledgement to the seller that the securities of the Reporting Issuer remain subject to this Order in accordance with its terms following such trade or acquisition; or

    (c) a trade to or an acquisition by a person or company who is an "accredited investor", as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*, provided that, prior to such trade or acquisition, such person or company

        (a) receives a copy of this Order; and

        (c) provides a written acknowledgement to the seller that the Reporting Issuer's securities remain subject to this Order in accordance with its terms following such trade or acquisition.

DATED at Toronto this ___ day of July, 2008.

Ontario Securities Commission

[Signed by]
[Manager/Assistant Manager] , Corporate

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EXHIBIT "C"

EXHIBIT "C"

Hollinger Inc.

Update on Cease Trade Order to be Issued by Canadian Securities Regulators

TORONTO, Ontario, July 14, 2008 – Hollinger Inc. (the "Company") (TSX:HLG.C) (TSX:HLG.PR.B) announced today that the Ontario Securities Commission (the "OSC") has provided it with a copy of the form of cease trade order to be issued by the OSC. The date upon which the cease trade order will be issued has not yet been determined.

The cease trade order will apply to all securities of the Company but will contain carve-outs to permit trades in the Company's securities that are made: (i) in connection with proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and approved by the Ontario Superior Court of Justice and, if required, related proceedings under the U.S. Bankruptcy Code and approved by the U.S. Bankruptcy Court; (ii) for nominal consideration for the purpose of permitting a holder to crystallize a tax loss; or (iii) by or to an entity that qualifies as an "accredited investor" as that term is defined under applicable Canadian securities laws.

The Company has also been advised by the Toronto Stock Exchange (the "TSX") that, provided the consent described below is granted, the TSX will initiate a process that will lead to the delisting of the Company's common shares and Series II preference shares from the TSX following the issuance of the cease trade order.

The Company and Ernst & Young Inc., its court-appointed Monitor, are prepared to consent to the issuance of the cease trade order and delisting provided that they are authorized to provide such consent by the Ontario Superior Court of Justice. The Company will be requesting such authorization from the Court at a hearing scheduled for July 21, 2008.

The cease trade order is being issued as a result of the Company's previously announced determination, in the interests of reducing its costs for the benefit of its stakeholders, not to prepare and file annual audited financial statements and other annual disclosure documents in respect of the Company's financial year ended March 31, 2008. Consequently, following June 30, 2008, the Company has been in default of its continuous disclosure filing requirements under Canadian securities laws.

Under the terms of the May 21, 2008 order issued pursuant to proceedings under the CCAA, the Company is in the process of conducting a claims process for the Company and its subsidiaries, Sugra Ltd. and 4322525 Canada Inc. (the "Applicants"), and will also do so for its non-Applicant subsidiaries as part of their winding-up. Also, under the May 21, 2008 CCAA order, retired justice John D. Ground has been appointed as Litigation Trustee to administer the Company's litigation assets, assisted by an Advisory Committee, and under the supervision of the Monitor and the CCAA court.

Preliminary estimates prepared by the Company, in conjunction with the Monitor, indicate that there is a significant risk that there will not be adequate recoveries from the Company's assets for there to be any residual value for the Series II preference or common shareholders of the Company.

This media release contains forward-looking information. The words "anticipates", "believes", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedules", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on information currently available to the Company's management. The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from results anticipated by the forward-looking information. The factors which could cause results or events to *differ from current expectations include, but are not limited to: the outcome of litigation, the CCAA process, regulatory and other proceedings; the actions of Canadian securities regulators in response to the Company going into default under its continuous disclosure obligations; and other factors, many of which are beyond the control of the Company. For additional information with respect to the Company's risk factors, reference should be made to the Company's continuous disclosure materials filed with Canadian securities regulatory authorities.*

All forward-looking information in this media release is qualified in its entirety by the above cautionary statements and, except as required by law, the Company undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

CONTACT INFORMATION

Media contact:

William E. Aziz
Chief Restructuring Officer
(416) 363-8721 ext. 262
baziz@hollingerinc.com

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT
WITH RESPECT TO HOLLINGER INC., 4322525 CANADA INC. and SUGRA LIMITED

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at Toronto

AFFIDAVIT OF WILLIAM E. AZIZ
(SWORN JULY 14, 2008)

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Solicitors for the Applicants

Tab 3

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**MONDAY, THE**
	)	
MR. JUSTICE MORAWETZ	)	**21ST DAY OF JULY, 2008**

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC.**, **4322525 CANADA INC.** AND **SUGRA LIMITED**

Applicants

ORDER

(Consent to Cease Trade Order, De-listing of Shares and Extension of AGM)

THIS MOTION, made by the Applicants for certain relief as set out in its Notice of Motion dated July 14, 2008 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants dated July 14, 2008 and the Affidavit of William E. Aziz sworn July 14, 2008, and on being advised that the Service List as of July 14, 2008 and Computershare Investor Services Inc. ("Computershare") were served electronically with the Applicants' Motion Record and upon being further advised that no party opposes the relief sought by the Applicants;

1. **THIS COURT ORDERS** that Hollinger Inc. ("Hollinger") and Ernst & Young Inc., the Monitor in these proceedings (the "Monitor"), be and they are hereby authorized to consent to the issuance of a Cease Trade Order ("CTO") by the Ontario Securities Commission substantially in the form annexed hereto as Schedule "A" and to execute any necessary or ancillary documents in connection with the issuance of the CTO.

2. **THIS COURT ORDERS** that Hollinger and the Monitor be and they are hereby authorized to consent to the de-listing by the Toronto Stock Exchange ("TSX") of Hollinger's common shares and Series II preference shares from the TSX and to execute any necessary or ancillary documents in connection with such de-listing.

3. **THIS COURT ORDERS** that upon Hollinger's de-listing with the TSX, Hollinger be and it is hereby authorized to immediately terminate its existing agreement with Computershare for the provision of transfer agent, registrar and related services.

4. **THIS COURT ORDERS** that Computershare shall, within two (2) business days of the date of this Order, return all retractable common shares of Hollinger that have been tendered to it in its capacity as escrow agent for redemption by shareholders which have not been redeemed, to the registered owner of such shares.

5. **THIS COURT ORDERS** that Hollinger be and it is hereby granted an extension of time within which it must hold an annual general meeting for a period of six months following the expiry or earlier termination of the Stay Period (as defined in the Initial Order of this

Honourable Court dated August 1, 2007), as such Stay Period has been and may be further extended from time to time.

Schedule "A"

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | P.O. Box 55, 19th Floor 20 Queen Street West Toronto ON M5H 3S8 | CP 55, 19e étage 20, rue queen ouest Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT, R.S.O. 1990, CHAPTER S.5, AS AMENDED (THE "ACT")

AND

IN THE MATTER OF

HOLLINGER INC.

ORDER
(Paragraphs 127(1)2 and 2.1)

WHEREAS Hollinger Inc. (the "Reporting Issuer") is a reporting issuer in Ontario;

AND WHEREAS the Reporting Issuer's common shares and series II preference shares are listed on the Toronto Stock Exchange (the "TSX") under the symbols "HLG.C" and "HLG.PR.B", respectively;

AND WHEREAS the Reporting Issuer issued a press release on August 1, 2007 which announced that it together with certain subsidiaries (collectively, the "Companies") had initiated a Court-supervised restructuring under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA Proceeding") and a companion proceeding in the United States pursuant to Chapter 15 of the U.S. *Bankruptcy Code* (the "U.S. Bankruptcy Code Proceeding"). Pursuant to an Order of the Ontario Superior Court of Justice dated August 1, 2007 issued in connection with the CCAA Proceeding, Ernst & Young Inc. was appointed by the Court as Monitor (the "Monitor") to assist the Companies through their restructuring process;

AND WHEREAS the Reporting Issuer issued a press release on June 16, 2008 that announced that, in the interests of reducing its costs for the benefit of its stakeholders, the Reporting Issuer will not be preparing and filing annual audited financial statements and other annual disclosure documents required by Canadian securities laws in respect of the Reporting Issuer's financial year ended March 31, 2008. Consequently, following June 30, 2008, the Reporting Issuer has been and remains in default of its continuous disclosure filing requirements under Canadian securities laws;

AND WHEREAS the Reporting Issuer failed to file the following continuous disclosure materials as required by Ontario securities law by the required filing deadline of June 30, 2008:

a) audited annual financial statements for the year ended March 31, 2008;

b) management's discussion and analysis ("MD&A") relating to the audited annual financial statements for the year ended March 31, 2008;

c) annual information form for the year ended March 31, 2008; and

CEO and CFO certifications in respect of the foregoing filings;

AND WHEREAS the Director is of the opinion that it is in the public interest to make an order that trading in and acquisitions of the securities of the Reporting Issuer cease, subject to certain permitted exceptions as described herein;

IT IS ORDERED pursuant to paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act that, effective • (the "Effective Date"),

1. subject to paragraph 2 hereof, all trading in and all acquisitions of the securities of the Reporting Issuer, whether direct or indirect, shall cease until further order by the Director;

2. this Order does not apply to the following trades or acquisitions:

   (a) a trade or acquisition in a security of the Reporting Issuer made in connection with i) the CCAA Proceeding and approved by the Ontario Superior Court of Justice, and, if required, ii) the U.S. Bankruptcy Code Proceeding and approved by the U.S. Bankruptcy Court;

   (b) a trade to or acquisition by a person or company in a security of the Reporting Issuer for nominal consideration for the purpose of permitting security holders of the Reporting Issuer to crystallize any losses for tax purposes provided that, prior to such trade or acquisition, such person or company

      (a) receives a copy of this Order; and

      (b) provides a written acknowledgement to the seller that the securities of the Reporting Issuer remain subject to this Order in accordance with its terms following such trade or acquisition; or

   (c) a trade to or an acquisition by a person or company who is an "accredited investor", as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*, provided that, prior to such trade or acquisition, such person or company

      (a) receives a copy of this Order; and

      (c) provides a written acknowledgement to the seller that the Reporting Issuer's securities remain subject to this Order in accordance with its terms following such trade or acquisition.

DATED at Toronto this ___ day of July, 2008.

Ontario Securities Commission

[Signed by]
[Manager/Assistant Manager] , Corporate

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT
WITH RESPECT TO HOLLINGER INC., 4322525 CANADA INC. and SUGRA LIMITED

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at Toronto

ORDER
(CONSENT TO CEASE TRADE ORDER, DE-LISTING OF SHARES AND EXTENSION OF AGM DATE)

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Solicitors for the Applicants

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO HOLLINGER INC., 4322525 CANADA INC. and SUGRA LIMITED

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at Toronto

MOTION RECORD
(CONSENT TO CEASE TRADE ORDER, DE-LISTING OF SHARES AND EXTENSOIN OF AGM ORDER)

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