Court File No. 07-CL-7120

DATE: November 8, 2007

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the "Eighth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the two weeks ended October 26, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the two weeks ended October 26, 2007, attached as Schedule 2.

TERMS OF REFERENCE

3. Capitalized terms not defined in this Eighth Communication are as defined in the Initial Order. All references to dollars are in Canadian currency unless otherwise noted.

4. In preparing this Eighth Communication, the Monitor has relied upon unaudited financial information and records of the Applicants and certain of their affiliates and discussions

with management of the Applicants. The Monitor has not performed an audit or other verification of such information.

5. The Monitor does not assume any responsibility or liability for losses incurred by the reader or any other party as a result of the circulation, publication, reproduction or use of this Eighth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to October 26, 2007 are $4.8 million. The projected inter-company repayments to February 1, 2008 combined with the actual inter-company repayments up to October 26, 2007 total approximately $7.8 million. The Applicants have indicated that as a result of the October 1, 2007 Court Order approving the 10 Toronto pension settlement and the release of funds held in escrow, 10 Toronto is prepared to commit to repay an additional $0.3 million of inter-company amounts owing on an "as needed" basis.

DISCUSSIONS AMONG THE PARTIES

7. Counsel reported to Mr. Justice Campbell at 9:30 a.m. on Monday, October 15, 2007 as to the continuing status of discussions between the parties. As a result of this attendance, the Stay Period was extended to Friday, November 2, 2007. Negotiations have continued between the Parties and the Monitor with the assistance of the Honourable Mr. Justice Morawetz during the week ended November 2, 2007. The negotiating parties have reached the framework for settling their issues upon which they reported to Mr. Justice Campbell on Tuesday, November 6, 2007. The Applicants have filed a motion seeking an extension of the Stay Period to December 21, 2007 returnable on November 9, 2007.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the September 15, 2007 Cash Flow Projection

C$ 000s	Projected Results for the Two Weeks Ended Friday 26-Oct	Actual Results for the Two Weeks Ended Friday 26-Oct	Variance	Notes
Opening Cash, ex. Funds in Trust	**2,480**	**3,803**	1,323	
Receipts				
Dividends	-	-	-	
Interest income	-	1	1	
Other	-	-	-	
Intercompany Accounts Receivable (Payable)	-	1,710	1,710	1
Total receipts	-	1,710	1,710	
Disbursements				
Payroll & Benefits	(19)	-	19	
Directors Fees and Insurance	(59)	(36)	23	
Legal Fees (including retainers)	(192)	(75)	117	2
Chapter 15 Legal Fees (US)	(20)	-	20	2
CCAA Legal Fees (Canada)	(121)	(202)	(81)	3
CCAA Monitor Fees	(80)	(75)	5	
Contractor Fees	-	-	-	
Advisors	(104)	(8)	95	
Litigation Trust	(125)	-	125	4
Monitor re Claims Process	(110)	-	110	4
Monitor Counsel re Claims Process	(59)	-	59	4
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	-	-	-	
Taxes	-	-	-	
Other	(13)	(41)	(28)	5
Total Disbursements	(901)	(436)	465	
Change in cash	**(901)**	**1,274**	**2,175**	
Closing cash, ex. Funds in Trusts	1,579	5,077	3,498	

1) The intercompany receipts line reflects a $1.7 million payment from Domgroup to Hollinger to partially settle the inter-company accounts payable balance owing from Domgroup to Hollinger. The difference represents a reversal of a previously reported timing difference from the projection relating to a repayment by Holcay of amounts owing to Domgroup.

2) Actual disbursements for Legal Fees and Chapter 15 legal costs were lower than projected. The difference represents a timing difference from the projection, which is expected to reverse in the near term.

3) Actual disbursements for CCAA legal costs were higher than projected. The difference represents a partial reversal of previously reported timing differences from the projection.

4) Actual disbursements for claims process and litigation trust costs were nil as the processes has not yet been undertaken by the Applicants.

5) Other disbursements relates to a foreign exchange adjustment on cash in the bank as a result of the depreciation of US Dollar relative to the Canadian Dollar during the week.

Summary of Legal Accruals
As At October 26, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to October 26, 2007	Total Revised "Bubble" at October 26, 2007	Total Revised "Bubble" as of October 26, 2007 **(excluding pre filing amounts)**	Total Revised "Bubble" as of October 12, 2007 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	43,624	99,894	79,426	179,320	123,050	192,840	(69,790)
CCAA Legal Fees	-	26,865	26,865	169,479	196,343	196,343	263,588	(67,244)
Ch 15 Legal Fees	-	15,559	15,559	121,788	137,347	137,347	96,862	40,484
Overall Total	**56,270**	**86,047**	**142,317**	**370,693**	**513,010**	**456,740**	**553,290**	**(96,550)**

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Note that the Applicants did make approximately $0.3 million of payments in respect of legal fees during the week ended October 26, 2007; therefore, the increase in the bubble represents the legal fees incurred during the week less payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the week ended October 26, 2007

Reverse Opening Balance (as of October 12, 2007) including pre-filing amounts	(609,560)
Cash Distributions on account of legal fees for the two weeks ended October 26, 2007	276,309
Reduction (increase) in contingency	8,777
Add Closing Balance (as of October 26, 2007) including pre-filing amounts	513,010
Approximate Legal Fees incurred during the two weeks ended October 26, 2007	188,536