Court File No 07-CL-7120

DATE: October 5, 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 "Fifth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the week ended September 28, 2007, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the week ended September 28, 2007, attached as Schedule 2.

TERMS OF REFERENCE

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

4 In preparing this Fifth 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 Fifth Communication

DISCUSSIONS AMOUNG THE PARTIES

6 On September 26, 2007, the Applicants obtained an extension of the Stay Period until October 12, 2007 Counsel reported to the Honourable Justice Campbell on October 4 and October 5, 2007 as to ongoing discussions Counsel is to report again to Justice Campbell at 9:30 a.m. on Wednesday, October 10, 2007 as to the continuing status of those discussions The motion to extend the Stay Period will not be argued on October 10, 2007 and will be adjourned to a date reflecting the status of discussions as at October 10, 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 Week Ended Friday 28-Sep	Actual Results for the Week Ended Friday 28-Sep	Variance	Notes
Opening Cash. ex Funds in Trust	5,167	5,946	779	
Receipts				
Dividends	-	-	-	
Interest income	-	-	-	
Other	-	-	-	
Intercompany Accounts Receivable	-	1,700	1,700	1
Total receipts	-	1,700	1,700	
Disbursements				
Payroll & Benefits	-	(22)	(22)	
Directors Fees and Insurance	-	(49)	(49)	
Legal Fees (including retainers)	(435)	(809)	(374)	2
Chapter 15 Legal Fees (US)	(300)	(525)	(226)	3
CCAA Legal Fees (Canada)	(384)	(73)	311	4
CCAA Monitor Fees	(40)	(114)	(74)	5
Contractor Fees	-	-	-	
Advisors	(89)	(104)	(16)	
Litigation Trust	(63)	-	63	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	-	(30)	(30)	
Taxes	-	-	-	
Other	(1)	3	4	
Total Disbursements	(1,311)	(1,723)	(412)	
Change in cash	(1,311)	(23)	1,288	
Closing cash. ex Funds in Trusts	3,856	5,923	2,067	

1) The proceeds from the Holcay transaction ($5 7 million) represent the majority of cash on hand These funds are held in trust by Davies. Ward Phillips & Vineberg pending finalization of the mechanics of payment and are not currently accessible by Hollinger Therefore actual receipts from Intercompany Accounts Receivable were more than projected as Hollinger had an increased need to collect intercompany receivables from 10 Toronto Street Inc to fund disbursements during the week For the period August 1 to September 28 2007 10 Toronto has repaid $4 8 million in respect of intercompany receivables owing to Hollinger

2) Actual disbursements for legal costs (including payment of pre-filing amounts during the week) were higher than projected The difference represents both a positive timing difference of approximately $0 3 million related to post filing payments which is expected to reverse in the near term as well as a negative timing difference of approximately $0 7 million related to the payment of the pre-filing amounts for legal costs which was projected in the week ended October 5. 2007 The timing difference for the pre-filing amounts will reverse next week

3) Actual disbursements for Chapter 15 legal costs (including payment of pre-filing amounts during the week) were higher than projected The difference represents both a reversal of the prior periods positive variance of $0 3 million as well as a timing difference related to the payment of the pre-filing amounts for Chapter 15 legal costs which was projected in the week ended October 5. 2007 The timing difference for the pre-filing amounts will reverse next week net of a negative permanent difference of approximately $0 1 million related to classification of fees in the projection between CCAA and Chapter 15 legal costs (See CCAA legal costs below)

4) Actual disbursements for CCAA legal costs (including payment of pre-filing amounts during the week) were less than projected The difference represents both a reversal of the prior periods negative variance of $0 2 million as well as a timing difference related to the payment of the pre-filing amounts for CCAA legal costs which was projected in the week ended October 5. 2007. The timing difference for the pre-filing amounts will reverse next week net of a positive permanent difference of approximately $0 1 million related to classification of fees in the projection between CCAA and Chapter 15 legal costs

5) Actual disbursements for CCAA Monitor fees were more than projected The difference represents a reversal of the prior period's positive variance of $0 1 million

Summary of Legal Accruals
As At September 28, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to September 28, 2007	Total Revised "Bubble" at September 28, 2007	Total Revised "Bubble" as of September 28, 2007 (excluding pre filing amounts)	Total Revised "Bubble" as of September 21, 2007 (excluding pre filing amounts)	Increase in (Decrease) "Bubble" (excluding pre filing amounts)
Legal Fees	56,270	91,192	147,462	107,420	254,882	198,612	184,842	13,769
CCAA Legal Fees	-	29,919	29,919	108,000	137,919	137,919	46,355	91,564
Ch 15 Legal Fees	-	5,000	5,000	52,794	57,794	57,794	566,633	(508,839)
Overall Total	56,270	126,111	182,381	268,214	450,595	394,325	797,830	(403,505)
F/X 1.00								

Note that the Applicants did make approximately $1.4 million of payments in respect of legal fees during the week ended September 28, 2007; therefore, the decrease 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 September 28, 2007

Reverse Opening Balance (as of September 21, 2007) including pre-filing amounts	(1,634,005)
Cash Distributions on account of legal fees for the week ended September 28, 2007	1,407,531
Reduction in contingency	36,682
Add Closing Balance (as of September 28, 2007) including pre-filing amounts	450,595
Approximate Legal Fees incurred during the week ended September 28, 2007	260,804