Court File No. 07-CL-7120

DATE: August 17th, 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 this CCAA proceeding.

PURPOSE

2. The purpose of this communication from the Monitor (the "Communication") is to provide information to all stakeholders in response to requests received from certain stakeholders.

3. A report of the Monitor addressing the Applicants' significant activities and cash flow results since August 1, 2007 will be filed with the Court prior to the hearing currently scheduled for August 29, 2007.

TERMS OF REFERENCE

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

5. In preparing this Communication, the Monitor has relied upon unaudited financial information and records of the Applicants and certain of its affiliates and discussions with management of the Applicants. The Monitor has not performed an audit or other verification of such information.

6. 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 communication.

INFORMATION REQUESTS RECEIVED FROM CERTAIN STAKEHOLDERS

7. Since August 1, 2007, the Applicants and the Monitor have received telephone calls and correspondence from certain stakeholders regarding additional information and clarification with respect to material filed by the Applicants in their initial Application Record.

8. Several of the requests were similar. Given the nature of some of the information being requested, the Applicants and the Monitor believe it would be appropriate and beneficial to provide this information to all stakeholders.

9. The Applicants, with assistance from the Monitor, have prepared an information package to address certain of the stakeholder information requests. The information package is described below and annexed to this Communication.

APPLICANTS' INFORMATION PACKAGE

10. The Applicants' information package consists of the following:

    (a) Expanded chart of the Hollinger group's corporate structure as of August 1, 2007; and

    (b) Reconciliation and roll forward summary of cash balances from March 31, 2007 to July 31, 2007.

Expanded chart of corporate structure

11. An expanded chart of the Hollinger group's corporate structure as of August 1, 2007 was prepared based on information provided by management and is attached as Appendix "**A**".

12. The expanded chart does not include all of the Applicants' direct or indirect subsidiaries but is intended to reflect active entities.

Summary reconciliation and roll forward of cash balances

13. The Applicants, with the assistance of the Monitor, have prepared a reconciliation and roll-forward of cash balances relating to the Applicants and certain non-applicants, including 10 Toronto Street Inc., Domgroup Ltd., Holcay Holdings Ltd. and 172847 Canada Limited.

14. The summary is based on the internal monthly cash sheets and unaudited unconsolidated financial statements of the respective entities.

15. The summary provides a roll-forward of cash on hand as at March 31, 2007 to July 31, 2007 and identifies significant receipts and disbursements of the entities.

16. The cash balances have been reconciled to the Hollinger Inc. consolidated financial statements as at March 31, 2007 and June 30, 2007 as well as to the opening cash position indicated in the Applicants' cash flow forecast provided in their CCAA Application Record.

17. The reconciliation and roll-forward of cash balances is annexed as Appendix "**B**".

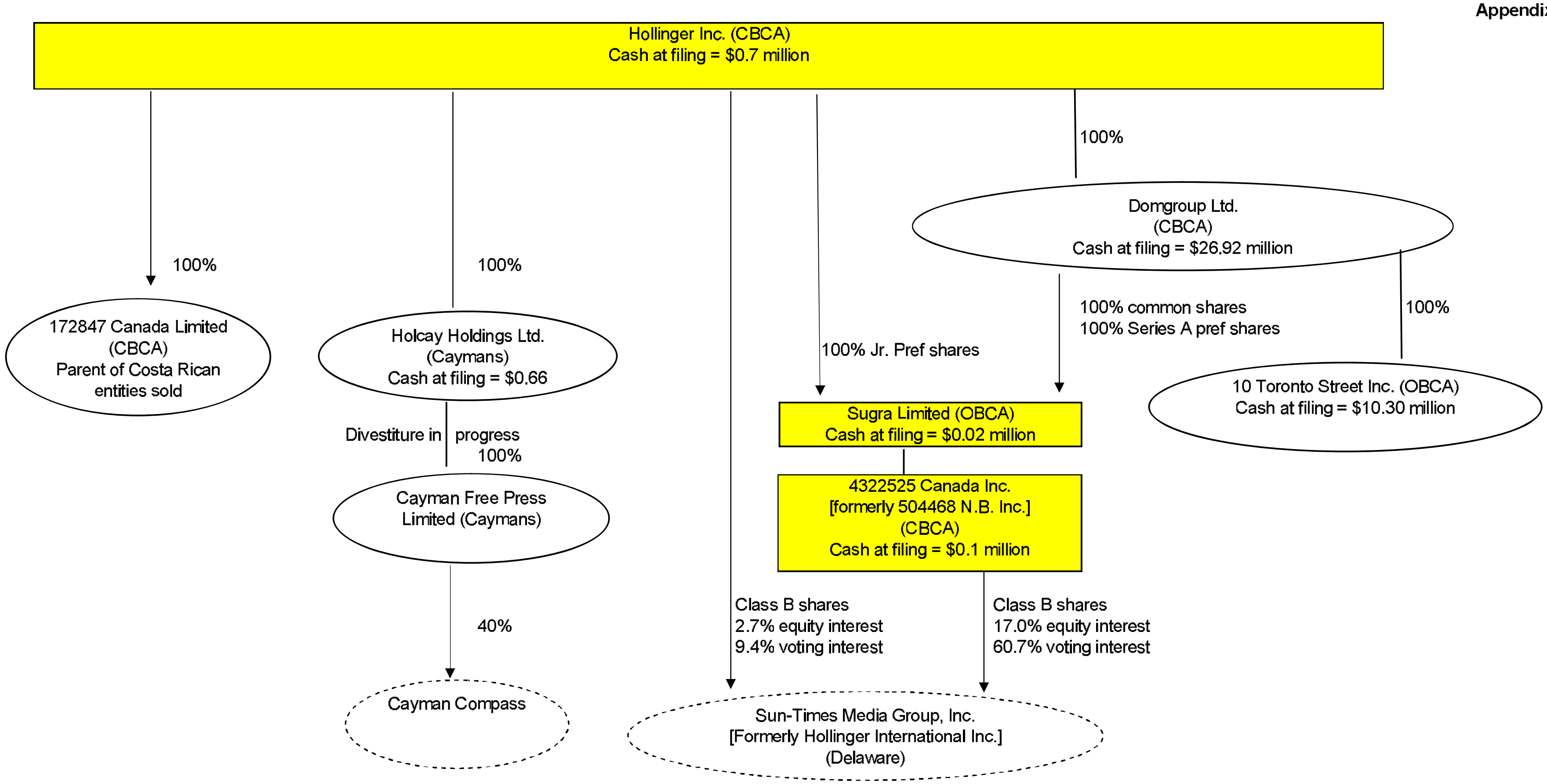
ADDITIONAL INFORMATION

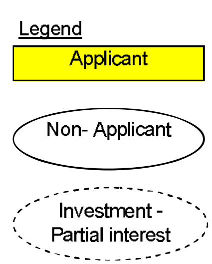
18. The Monitor is addressing with the Applicants other requests for information and may provide additional information from the Applicants to the Service List.

19. If you have any questions please contact Brian Denega (416-943-3058) or Brent Beekenkamp (416-943-2652) of Ernst & Young.

Expanded Chart of the Hollinger Inc.'s Corporate Structure

Appendix A





Opening Cash at Date of Filing	
Applicants	0.8
Holcay	0.7
Total per Projection	1.5
Non- Applicants	37.2
Total cash at filing	38.7

Unaudited - Prepared from information provided by management

17/08/2007

Hollinger Inc. **Appendix B**
Reconciliation and Roll Forward Summary of Cash Balances
CDN 000's

Reconciliation of Cash Balance from March 31, 2007 to June 30, 2007

		Entities Included in Cash Flow Accompanying Initial CCAA Filing						Entities Not Included in Cash Flow Accompanying Initial CCAA Filing				
		Applicant	Applicant	Applicant	Non-Applicant			Non-Applicant		Non-Applicant		
		Hollinger	**4322525**	**Sugra**	**Holcay & Costa Rica** Note 2	**Total**		**Domgroup**		**10 Toronto**	**Total**	**Consolidated**
Cash - March 31, 2007	Note 1	9,784	139	2	1,215	11,140		19,736		412	20,148	31,288
Receipts	Note 4	2,264	-	3	-	2,267	Note 6	8,875	Note 7	10,650	19,525	21,792
Disbursements	Note 5	(6,313)	(27)	(4)	(501)	(6,846)		(1,407)		(734)	(2,141)	(8,986)
Intercompany		(105)	-	20	-	(85)		-		85	85	(0)
Foreign Exchange		(448)	(4)	(2)	(54)	(508)		(26)		(2)	(28)	(537)
Cash - June 30, 2007	Note 1	5,182	108	18	660	5,968		27,178		10,411	37,589	43,556

Reconciliation of Cash Balance from June 30, 2007 to July 31, 2007

		Hollinger	4322525	Sugra	Holcay & Costa Rica	Total	Domgroup	10 Toronto	Total	Consolidated
Cash - June 30, 2007	Note 1	5,182	108	18	660	5,968	27,178	10,411	37,588	43,556
Receipts		588	-	-	-	588	99	31	130	718
Disbursements	Note 5	(5,029)	-	-	(4)	(5,033)	(353)	(146)	(499)	(5,532)
Intercompany		-	-	-	-	-	-	-	-	-
Foreign Exchange		(27)	0	0	1	(25)	1	0	1	(25)
Cash - July 31, 2007	Note 1	714	108	18	657	1,497	26,923	10,296	37,219	38,716

F/X- March 31, 2007	1.153
F/X- June 30, 2007	1.063
F/X- July 31, 2007	1.066

Notes:

1) Cash includes both Canadian and US bank accounts but excludes amounts held in trust by Aird & Berlis for the officers' indemnity trust.

2) Cash includes funds held in a bank account in the name of Holcay Holdings Ltd., a wholly owned subsidiary of Hollinger Inc. Hollinger Inc. and Holcay Holdings Ltd. were prepared to allow any cash held by Holcay Holdings Ltd. to be used by the Applicants in the CCAA proceedings, subject to the mechanics of payment being finalized. It was therefore included in the cash flow not withstanding Holcay Holdings Ltd. is not an Applicant.

3) The amounts included in this schedule were extracted from the respective cash summary sheets, with the exception of cash included in Holcay Holdings and Costa Rica, which was received from management.

4) Sale proceeds related to Costa Rica (approx. $2 million) were directly deposited to Hollinger Inc., which resulted in an inter-company amount due to 172847 Canada Limited, a non-applicant.

5) See Schedule 1 for details of Hollinger Inc.'s disbursements over the period.

6) Domgroup receipts is primarily comprised of a monetization of the Lanterra vendor take back mortgage of $8.3 million

7) 10 Toronto Street receipts is primarily related to the colleciton of the net sale proceeds from 10 Toronto Street building of $10.5 million.

Reconciliation - Opening Cash	Mar 31/07
Opening Cash Per Above - Cdn $	31,288
Unreconciled	0
Opening Cash Per Audited Consolidated F/S - Cdn $	31,288

Reconciliation - June 30 Cash Balance	Jun 30/07
June 30, 2007 Cash Per Above - Cdn $	43,556
Unreconciled	(2)
Opening Cash Per Audited Consolidated F/S - Cdn $	43,554

Reconciliation - Closing Cash Applicants	Jul 31/07
Opening Cash Per Above - Cdn $	1,497
Hollinger Inc Tax Payment - Cheque cancelled	(12)
4322525 Tax Payments - Cheque cancelled	(77)
Sugra Tax Payment - Cheque cancelled	(2)
Unreconciled	(4)
Opening Cash Per Court Filed Cash Flow Projection - Cdn $	1,404

Hollinger Inc. **Schedule 1**
Disbursements - for period from April 1 to July 31, 2007
CDN 000'

	Hollinger Inc.		
	April 1- June 30	**July**	**Total**
Legal fees			
Restructuring Counsel	285	218	503
STMG \ RCL \ Other	1,195	378	1,573
Litigation Assets	1,147	225	1,372
Legal - others			
General Corporate Matters	512	53	565
Regulatory / Securities Filings	769	80	849
OSC \ SEC	166	2	168
Tax Advice and Reassessments	116	21	137
Sale of Costa Rica	103	9	112
D&O Class settlement	59	36	95
Sale of Cayman Free Press	79		79
Miscellaneous	74	3	77
Dept. of Justice - Witness costs	86	7	93
Black - Confidential Settlement Agreement / Mareva Injunction	95	10	105
Settlement			
Catalyst- Re-imbursement of certain Inspectorship costs (Note 1)	-	2,000	2,000
Other Professional & Contractor Fees	1,117	304	1,421
Audit fees	202	197	399
Public relations \ filing fees	111	20	131
Directors fees	160	49	209
D&O Insurance	-	1,418	1,418
General administration	3	-	3
Tax installments	35	-	35
	6,314	5,030	11,344

Notes:

1) For further details please refer to Management's Discussion and Analysis included in Hollinger Inc.'s June 30, 2007 Financial Statements.