Court File No. 07-CL-7120

DATE: January 11, 2008

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 "Fourteenth Communication") is to provide information to all stakeholders with respect to the Applicants' receipts and disbursements from the date of the Initial Order to January 4, 2008, which is attached as Schedule 1.

TERMS OF REFERENCE

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

4. In preparing this Fourteenth 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 Fourteenth Communication.

THE APPLICANTS' ACTUAL CASH RECEIPTS AND DISBURSEMENTS

6. Pursuant to the September 26 Order, the Monitor has been providing weekly communications to the Service List setting out the Applicants' actual cash receipts and disbursements and an analysis of the variances against the various cash flow projections.

7. The Monitor notes that a critical concern early in these proceedings was the high cash burn rate being incurred by the Applicants both in pursuing litigation assets as well as in dealing with the litigation within these CCAA and ancillary U.S. Chapter 15 proceedings. The Settlement Term Sheet negotiated by the Applicants and certain stakeholders provided for a standstill of litigation among the Applicants and the stakeholders within these proceedings so as to reduce the associated high cost to the Applicants in the immediate term and to permit the parties to focus on constructive dialogue to determine if a global settlement could be reached. In addition, the Applicants agreed to limit their activities in pursuing the litigation assets to bare maintenance levels in the short term, pending a structure being established to most effectively and efficiently pursue these assets for the benefit of the Applicants stakeholders. These initiatives have been successful in reducing the Applicants' costs and conserving to the extent practicable their limited cash resources.

8. Since filing, the Applicants have received cash, including accounts receivable from intercompany sources, totalling approximately $10.5 million and made total cash disbursements of approximately $8.6, resulting in a net increase in cash of $1.9 million over the Projection Period.

9. Other receipts primarily relate to the proceeds from the sale of Cayman Free Press ("CFP") and Holcay's share of CFP's dividend together totalling approximately US $5.1

million. These funds were received from the purchaser and were held in trust by Hollinger's counsel, Davies, Ward, Phillips and Vineberg ("Davies") pending the mechanics of payment to Hollinger and Domgroup being finalized. On December 19, 2007 Holcay Holdings issued a US $3.4 million dividend to Hollinger Inc. that transferred substantially all the remaining Holcay funds to Hollinger Inc. Since it was assumed in the cash flow projections that any cash held by Holdings was available for use by the Applicants as Holcay had no known creditors other than Domgroup and Hollinger Inc., there is no cash impact on the weekly projections as a result of the dividend.

10. The Intercompany receipts primarily consist of $4.8 million from 10 Toronto, a non-Applicant in these proceedings. 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. 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.

11. Cash disbursements include legal fees related to the CCAA and Chapter 15 proceedings, ongoing costs associated with maintaining filings and obligations of a public company and maintaining the litigation assets on a continuing "lights on" basis. The September 26 Order did not permit outstanding pre-filing legal fees to be paid during the Standstill Period. These amounts have now been paid pursuant to subsequent Orders and agreement of the stakeholders as disclosed in the Fifth Report of the Monitor, and have been reflected in the Monitor's weekly communications.

12. To date, no cash disbursements have been made with respect to costs associated with commencing a claims process for the Applicants or the costs related to the establishment of a litigation trust.

13. Payroll and benefits represent a reimbursement to 10 Toronto by Hollinger for 50% of the total employee related costs, including payroll, benefits and pre-filing severance costs.

14. Contractor Fees represent fees paid to individuals for services rendered to the Applicants.

15. Advisors represent payments to various professionals including financial advisors, the auditors, transfer agent, the Inspector and others.

16. Operating Costs relating to building represent a reimbursement to Domgroup by Hollinger for 50% of the total Adelaide and Wellington offices lease costs and operating costs.

17. Other disbursements primarily relates to a foreign exchange adjustment on cash in the bank as a result of the appreciation of US Dollar relative to the Canadian Dollar since filing.

18. The cash balances at each of the Applicants and non-Applicants (with any cash), excluding funds held in trust by Aird & Berlis for the officers' indemnity trust were as follows:

	(Canadian Millions)	
	January 4, 2008	August 1, 2007
Applicants	$3.4	$0.8
Holcay	$0.0	$0.7
Domgroup	$26.8	$26.9
10 Toronto	$6.8	$10.3

DISCUSSIONS AMONG THE PARTIES

19. The negotiations among the Applicants, STMG, DK and the Indenture Trustee ended on December 18, 2007 without a settlement agreement being reached. On December 19, 2007 Justice Campbell issued an order extending the Stay Period to January 16, 2008 and ordered a case conference on January 10, 2008 to deal with scheduling issues surrounding motions that may be brought by DK and the Applicants. The Parties attended before Justice Campbell on January 10, 2008 and have agreed to attend another mediation with the assistance of the Honourable Justice Morawetz to be scheduled as soon as possible. The Applicants will be seeking an extension of the Stay Period on or before January 16, 2008, and January 16, 2008 is currently set aside to address this or any other matters.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Actual Cash Flow for the period from August 1, 2007 to January 4, 2008

C$ 000s	Total Actual Cash Flow for the period from August 1, 2007 to October 5, 2007	Total Actual Cash Flow for the period from October 6, 2007 to January 4, 2008	Total Actual Cash Flow for the period from August 1, 2007 to January 4, 2008	Notes
Opening Cash, ex. Funds in Trust	**1,495**	**3,864**	**1,495**	
Receipts				
Dividends	-	-	-	
Interest income	9	31	41	
Other	5,450	132	5,582	
Intercompany Accounts Receivable (Payable)	3,136	1,710	4,846	
Total receipts	**8,595**	**1,874**	**10,469**	
Disbursements				
Payroll & Benefits	(102)	(154)	(256)	
Directors Fees and Insurance	(444)	(116)	(560)	
Legal Fees (including retainers)	(2,785)	(252)	(3,037)	1
Chapter 15 Legal Fees (US)	(530)	(219)	(750)	
CCAA Legal Fees (Canada)	(598)	(638)	(1,236)	
CCAA Monitor Fees	(371)	(249)	(620)	
Contractor Fees	(375)	(365)	(740)	
Advisors	(503)	(311)	(814)	
Litigation Trust	-	-	-	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(59)	(94)	(153)	
Taxes	-	-	-	
Other	(459)	38	(422)	
Total Disbursements	**(6,227)**	**(2,361)**	**(8,588)**	
Change in cash	**2,368**	**(487)**	**1,881**	
Closing cash, ex. Funds in Trust	**3,864**	**3,377**	**3,377**	

The Cash balance above is shown in thousands of Canadian dollars and excludes approximately $0.5 million held in trust by Aird & Berlis for the officers' indemnity trust.

The Applicants' cash balance included amounts held by Davies, Ward, Philips and Vineberg in the name of Holcay Holdings, a wholly owned subsidiary of Hollinger Inc. On December 19, 2007 Holcay Holdings issued a US$ 3.4 million dividend to Hollinger Inc. that transferred substantially all the remaining Holcay Funds to Hollinger Inc. Since it was assumed in the cash flow projections that any cash held by Holdings was available for use by the Applicants as Holcay and no known creditors other than Domgroup and Hollinger, there is no cash impact on the weekly projections as a result of the dividend.

As at January 4, 2008, the cash balances at each of the Applicants and non-Applicants (with any cash) were as follows:

(Cdn Millions)	
Applicants	$ 3.4
Holcay	$ 0.0
Domgroup	$26.8
10 Toronto	$ 6.8

Note 1 - A substantial portion of these fees relate to accruals for work performed in investigating and preserving the litigation assets prior to the Initial Order that were paid post filing.