Court File No. 07-CL-7120

DATE: October 22, 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 "Seventh Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the week ended October 12, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the week ended October 12, 2007, attached as Schedule 2.

TERMS OF REFERENCE

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

4. In preparing this Seventh 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 Seventh 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 12, 2007 total $4.8 million. The projected inter-company repayments to February 1, 2008 combined with the actual inter-company repayments up to October 5, 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 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. On October 18 and 19, 2007 the Parties and the Monitor resumed negotiations with the assistance of the Honourable Mr. Justice Morawetz. The Parties did not reach an agreement but are continuing to seek a consensual resolution.

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 12-Oct	Actual Results for the Week Ended Friday 12-Oct	Variance	Notes
Opening Cash, ex. Funds in Trust	**2,480**	**3,865**	1,384	
Receipts				
Dividends	-	-	-	
Interest income	-	-	-	
Other	-	-	-	
Intercompany Accounts Receivable (Payable)	-	-	-	
Total receipts	-	-	-	
Disbursements				
Payroll & Benefits	(17)	(25)	(8)	
Directors Fees and Insurance	-	-	-	
Legal Fees (including retainers)	(96)	-	96	1
Chapter 15 Legal Fees (US)	(10)	-	10	1
CCAA Legal Fees (Canada)	(60)	-	60	1
CCAA Monitor Fees	(40)	-	40	1
Contractor Fees	-	-	-	
Advisors	(14)	-	14	
Litigation Trust	(63)	-	63	
Monitor re Claims Process	(55)	-	55	
Monitor Counsel re Claims Process	(30)	-	30	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	-	(7)	(7)	
Taxes	-	-	-	
Other	(1)	(29)	(28)	2
Total Disbursements	**(385)**	**(61)**	**324**	
Change in cash	**(385)**	**(61)**	**324**	
Closing cash, ex. Funds in Trusts	**2,095**	**3,803**	**1,708**	

1) Actual disbursements for legal and restructuring costs were nil as there were no payments made in respect of these costs during the week. As a result, the variance represents a timing difference from the projection, which is expected to reverse in the near term.

2) 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.

Unaudited - Prepared from information provided by the Applicants.

Summary of Legal Accruals
As At October 12, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to October 12, 2007	Total Revised "Bubble" at October 12, 2007	Total Revised "Bubble" as of October 12, 2007 **(excluding pre filing amounts)**	Total Revised "Bubble" as of October 5, 2007 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	123,543	179,813	69,298	249,110	192,840	169,935	22,905
CCAA Legal Fees	-	42,826	42,826	220,762	263,588	263,588	199,826	63,762
Ch 15 Legal Fees	-	15,559	15,559	81,304	96,862	96,862	61,978	34,884
Overall Total	**56,270**	**181,927**	**238,197**	**371,363**	**609,560**	**553,290**	**431,740**	**121,551**
F/X 1.00								

Note that the Applicants did not make any payments in respect of legal fees during the week ended October 12, 2007; therefore, the increase in the bubble represents the legal fees incurred during the week, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the week ended October 12, 2007

Reverse Opening Balance (as of October 5, 2007) including pre-filing amounts	(488,010)
Cash Distributions on account of legal fees for the week ended October 5, 2007	-
Reduction (increase) in contingency	(11,050)
Add Closing Balance (as of October 12, 2007) including pre-filing amounts	609,560
Approximate Legal Fees incurred during the week ended October 12, 2007	110,500