Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO HOLLINGER INC., 4322525 CANADA INC. AND SUGRA LIMITED

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

TWENTY-SIXTH REPORT OF THE MONITOR

December 2, 2013

1. On August 1, 2007, Hollinger Inc. ("**Hollinger**") and certain of its subsidiaries (collectively, 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 this Court 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 Twenty-Sixth Report of the Monitor (the "**Twenty-Sixth Report**") is to update this Court with respect to the following:

   (a) the activities of the Litigation Committee and the settlement approval process;

   (b) progress in the Applicants' and Non-Applicants' Claims Processes;

   (c) the Applicants' actual cash receipts and disbursements;

(d) the Applicants' proposed amendment to the DIP Loan;

(e) the Applicants' updated cash flow projections;

(f) the Applicants' request for an extension of the Stay Period; and

(g) the Monitor's conclusions and recommendations.

TERMS OF REFERENCE

3. In preparing this Twenty-Sixth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants and Non-Applicants, and discussions with management of the Applicants and the Non-Applicants ("**Management**") (collectively, the "**Information**"). Except as described in this Twenty-Sixth Report in respect of the Applicants' cash flow statement:

   (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

   (b) Some of the information referred to in this Twenty-Sixth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed.

4. Future oriented financial information referred to in this Twenty-Sixth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that,

may not be ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

5. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian dollars.

6. For convenience, capitalized terms not defined in this Twenty-Sixth Report are as defined in the affidavit of Mr. William E. Aziz, President of BlueTree Advisors II Inc., the Court-appointed Chief Restructuring Officer of the Applicants (the "**CRO**"), sworn on November 29, 2013 (the "**Aziz Affidavit**"), attached (without exhibits) as Appendix "**A**" to this Twenty-Sixth Report.

7. Copies of this Twenty-Sixth Report and other court material filed in connection with these CCAA proceedings may be obtained from the Monitor's website established in connection with these proceedings (www.ey.com/ca/hollinger) (the "**Monitor's Website**").

ACTIVITIES OF THE LITIGATION COMMITTEE AND THE SETTLEMENT APPROVAL PROCESS

8. As previously reported, the Litigation Committee has been moving forward with the claims within its mandate. The Applicants continue to work with John D. Ground Q.C. (retired justice), in his capacity as Litigation Trustee of Hollinger, in an effort to prosecute and/or settle litigation commenced by the Applicants for the benefit of their estates. The Applicants, the Litigation Trustee and the Advisory Committee have kept the Monitor and its counsel apprised of their progress and activities. Additionally, either the Monitor or its counsel have attended as an observer at the monthly status meetings chaired by the Litigation Trustee.

9. Hollinger and the Litigation Trustee have entered into settlement agreements with:

   (a) Ralph M. Barford ("Barford"), a former director of Hollinger;

   (b) Maureen Sabia, Fredrik Eaton, Allan Gotlieb and Henry Ketcham III, each former directors of Hollinger;

(c) The estate of F. Donald Fullerton, a former director of Hollinger;

(d) CIBC, the lead bank in Hollinger's former lending syndicate;

(e) Torys, former counsel to Hollinger;

(f) KPMG, former auditors of and advisors to Hollinger;

(g) Peter Atkinson, a former director of Hollinger;

(h) John Boultbee, a former director of Hollinger; and

(i) Charles Cowan, a former director of Hollinger.

10. The settlements reached with each of Peter Atkinson and John Boultbee were approved in their entirety by Order of this Court dated September 6, 2013. These settlements provide for the cooperation of these former inside directors and officers with the efforts of Hollinger and the Litigation Trustee in pursuing Hollinger's claims against the remaining non-settling defendants.

11. The Litigation Committee continues to pursue Hollinger's claims against the remaining non-settling defendants.

PROGRESS IN THE APPLICANTS' AND NON-APPLICANTS' CLAIMS PROCESSES

12. Each of the Applicants and the Non-Applicants has commenced a claims process to determine and adjudicate related and non-related party claims. With the exception of claims asserted by Canada Revenue Agency, all claims of arm's length parties against the Applicants and Non-Applicants have been determined. However, the non-arm's length claims, as defined in the claims process order dated May 21, 2008, against the Applicants remain unresolved and are significant and complicated. These outstanding claims are those filed by former inside directors and officers of Hollinger, or entities controlled by such individuals.

Catalyst Claim

13. As previously reported, Catalyst Capital Fund I ("**Catalyst**") asserted a "super-priority" claim of $1,988,388. The claim was originally filed with the Monitor by Catalyst in the Applicants' Claims Process as an unsecured claim against Hollinger.

14. By Reasons dated June 24, 2013, Justice Campbell dismissed the motion brought by Catalyst asserting a super-priority claim against Hollinger. Catalyst has sought leave to appeal Justice Campbell's decision to the Court of Appeal for Ontario. The motion is pending.

THE APPLICANTS' ACTUAL CASH RECEIPTS AND DISBURSEMENTS

15. A summary of the Applicants' actual receipts and disbursements for the period from February 1, 2013 to November 29, 2013 (the "**Reporting Period**"), compared to their projections filed with this Court in the appendices to the Twenty-Fifth Report, is attached as Appendix "**B**" hereto.

16. Actual net cash receipts for the Reporting Period totaled $24.2 million, approximately $23.6 million greater than projected. The major variances include the receipt of the settlement funds received from Torys and KPMG.

17. Actual cash disbursements for the Reporting Period totaled $3.8 million, approximately $1.0 million more than projected.

18. As previously reported and approved by an Order of this Court dated May 27, 2010 and amended on December 15, 2010, June 21, 2011 and August 24, 2012, Domgroup entered into a $10.2 million debtor-in-possession ("**DIP**") loan facility with Hollinger, with interest charged to and paid by the Applicants at the Canadian Imperial Bank of Commerce's Prime Rate plus 3% per annum on any draws made on the loan. The DIP loan was subsequently amended to include both 4322525 Canada Inc. and Sugra as borrowers.

19. As of November 29, 2013, total DIP drawings outstanding were $10.2 million.

20. As at November 29, 2013, the cash balances of the Applicants and the principal Non-Applicants (with material amounts of cash) were as follows:

	(Cdn. Millions)
Applicants	$25.4
Domgroup	$6.3
10 Toronto	$1.2

THE APPLICANTS' PROPOSED AMENDEMENT TO THE DIP LOAN

21. As described above, Domgroup advanced a $10.2 million DIP loan to the Applicants, which has now been fully drawn. To date, Hollinger has made all interest payments on the loan, which are approximately $50,000 per month. The Applicants and Non-Applicants are seeking to increase the DIP loan by $2 million and reduce the interest rate to 0%.

22. As at August 31, 2013, Domgroup was indebted to Hollinger in the undisputed amount of $14.3 million. Pursuant to the terms of the Amended Commitment Letter, the Applicants are entitled to repay their indebtedness under the DIP Financing by way of set-off against amounts owing or distributable to the Applicants by Domgroup.

23. As set out in the Aziz Affidavit, all third-party claims against Domgroup have been resolved and paid, except in respect of any remaining liabilities to taxing authorities and an unfiled and unquantified environmental claim asserted by Sun Life Assurance Company of Canada. Domgroup proposes that a reserve of $1.3 million in Domgroup would be sufficient in respect of any future obligations of Domgroup (the "**Reserve**"). After setting aside the Reserve, Domgroup will continue to have sufficient funds to advance the full amount of the DIP Financing proposed under the Amended Commitment Letter to the Applicants.

24. Apart from the Reserve described above, Domgroup's only creditors are the Applicants. As a result, any interest paid by the Applicants to Domgroup will ultimately revert back to the Applicants upon a distribution. As set out in the Aziz Affidavit, in order to avoid

(i) accumulating further funds in Domgroup at the expense of the Applicants, and (ii) any potential unnecessary tax obligations, it is in the best interests of the Applicants and the Non-Applicants that the interest rate in respect of the DIP Financing be reduced to zero.

THE APPLICANTS' UPDATED CASH FLOW PROJECTIONS

25. The Applicants, with the assistance of the Monitor, have prepared a cash flow projection (the "**Cash Flow Projection**") for the period from November 30, 2013 to July 31, 2014 (the "**Projection Period**"). A copy of the Cash Flow Projection is attached as Appendix "**C**" hereto. The Cash Flow Projection has been prepared by the Applicants, using the probable and hypothetical assumptions set out in notes to the Cash Flow Projection (the "**Assumptions**").

26. At this time, the Applicants' Cash Flow Projection estimates that during the Projection Period, the Applicants will have net receipts of approximately $1.7 million and total disbursements of approximately $3.2 million. The Applicants' cash position at the commencement of the Projection Period is estimated to be approximately $25.4 million, however the majority of which is held for future litigation. Total additional net draws under the DIP facility are estimated to be $1.75 million during the Projection Period.

27. Subject to this Court approving the Applicants' request for additional DIP financing, the Cash Flow Projection estimates that the Applicants will have sufficient liquidity to operate during the Projection Period.

28. The Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied to it by certain of the management and employees of the Applicants. The Monitor's procedures with respect to the Assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor also reviewed the support provided by the Applicants for Assumptions, and the preparation and presentation of the Cash Flow Projection.

29. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

(a) the Assumptions are not consistent with the purpose of the Cash Flow Projection;

(b) as at the date of this Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Projection, given the content of the Assumptions; or

(c) the Cash Flow Projection does not reflect the Assumptions made by the Applicants.

30. The Cash Flow Projection has been prepared solely for the purpose described in the Assumptions to the Cash Flow Projection, and readers are cautioned that it may not be appropriate for other purposes.

31. Since the Cash Flow Projection is based on the Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations may be material. Accordingly, the Monitor gives no assurance as to whether the Cash Flow Projection will be achieved.

APPLICANTS' REQUEST FOR AN EXTENSION OF THE STAY PERIOD

32. The Applicants are seeking an extension of the Stay Period to July 10, 2014 in order to permit them to continue to implement the Claims Order, the Non-Applicant Claims Order, the MPSA and to pursue the Litigation Assets, all in order to bring forward a plan or plans of arrangement (if desirable) or a plan of distribution for consideration by all of the Applicants' stakeholders.

MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

33. The Applicants are continuing to implement both the Claims Order and the MPSA, and to pursue the Litigation Assets for the benefit of their stakeholders. It is anticipated that the pursuit of the Litigation Assets will involve significant time and resources including responding to a request to inspect documents and a security for costs motion (both brought by the non-settling defendants), completing potential pleadings motions and documentary and oral discoveries.

34. The Non-Applicants continue to implement the Non-Applicant Claims Order to return surplus assets for the benefit of the Applicants.

35. The Monitor is of the view that the Applicants continue to act in good faith and with due diligence.

36. In the context of the foregoing, the Monitor recommends that this Court approve the Applicants' and Non-Applicants' request for orders:

    (a) amending the DIP loan to (i) increase the total borrowings to $12.2 million and (ii) eliminate any interest obligations; and

    (b) extending the Stay Period to July 10, 2014.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 2nd DAY OF DECEMBER, 2013:

ERNST & YOUNG INC.
In its capacity as Court-appointed
Monitor of Hollinger Inc. and certain of its affiliates

Per:

Brian M. Denega
Senior Vice President

Christopher Mediratta
Vice President

APPENDIX A

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO HOLLINGER INC., 4322525 CANADA INC. and SUGRA LIMITED

Applicants

AFFIDAVIT OF WILLIAM E. AZIZ

I, **WILLIAM E. AZIZ**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President of BlueTree Advisors Inc., Court-appointed Chief Restructuring Officer of the Applicants. As such, I have personal knowledge of the matters to which I hereinafter depose, except where my knowledge is based on information and belief, in which case I believe such information to be true.

2. Pursuant to an Order of this Honourable Court dated May 21, 2008, as amended by the Order of this Honourable Court dated July 3, 2008, I or a company or entity owned or controlled by me was appointed as the Chief Restructuring Officer of the Applicants. BlueTree Advisors Inc. ("**BlueTree**") is the entity owned or controlled by me that was appointed to provide my services as Chief Restructuring Officer of the Applicants.

3. BlueTree was also retained, pursuant to board resolutions passed by each of Domgroup Ltd. ("**Domgroup**"), 10 Toronto Street Inc. ("**10 Toronto Street**"), Holcay Holdings Ltd. and 021173 N.B. Limited a.k.a. Willett Foods f.k.a. Willett Food Company (collectively, the "**Non-Applicants**") on June 16, 2008, to provide the services of Chief Restructuring Officer of the Non-Applicants (collectively, BlueTree and myself are referred to as the "**CRO**").

4. All capitalized terms not herein defined shall have the meanings set out in the Initial Order dated August 1, 2007.

Purpose

5. The purpose of this Affidavit is to (i) supplement the Twenty-Sixth Report of the Monitor, (ii) support the increase in the amount of the DIP Financing and the elimination of the interest rate, and (iii) support the extension of the Stay Period, as described herein.

Claims Processes

6. Each of the Applicants and the Non-Applicants has commenced a claims process to determine and adjudicate related and non-related party claims. With the exception of claims asserted by Canada Revenue Agency, all of the arm's length claims against the Applicants have been determined. However, the non-arm's length claims against the Applicants remain unresolved and are significant and complicated. Certain of the issues therein continue to be prosecuted through complex litigation as a result of the commonality of interests and of the legal principles underlying both the litigation against certain defendants and the adjudication of their claims against the estates.

Catalyst Claim against Hollinger

7. By Reasons dated June 24, 2013, Justice Campbell dismissed the motion brought by Catalyst Capital Fund I ("**Catalyst**") asserting a super-priority claim against Hollinger Inc. ("**Hollinger**"). Catalyst has sought leave to appeal Justice Campbell's decision which is pending.

Black Claims against Hollinger

8. The claims asserted by Conrad Black ("**Black**") against Hollinger (the "**Black Claim**") have not yet been adjudicated by this Court. As outlined in the Applicants' Notice of Motion dated July 3, 2013, the Applicants have taken the position that certain components of the Black Claim should be disallowed for the reasons outlined therein and that the Quest Loan Claim (as defined therein) should be adjudicated in accordance with the terms of the Claims Order. I have been advised by my counsel, Leanne Williams of Thornton Grout Finnigan LLP, that the parties are discussing the scope of the dispute in respect of certain elements of the Black Claim and hope to reach an agreement in the near term.

Litigation

9. The Applicants continue to work with John D. Ground Q.C. (retired justice), in his capacity as Litigation Trustee of Hollinger ("**Litigation Trustee**"), in an effort to prosecute and/or settle the Applicants' litigation for the benefit of its estates.

10. The Litigation Trustee's mandate is to maximize potential returns to the estate from the litigation assets of Hollinger that include claims against: (1) Hollinger's former directors

and officers; (2) Hollinger's former counsel, Torys LLP ("**Torys**"); (3) Hollinger's former auditor and tax advisor, KPMG LLP ("**KPMG**"); and (4) Hollinger's former lending syndicate led by the Canadian Imperial Bank of Commerce ("**CIBC**") and including TD Bank and Scotiabank.

11. Hollinger and the Litigation Trustee have entered into settlement agreements with:

(a) Ralph M. Barford ("**Barford**"), a former director of Hollinger;

(b) Maureen Sabia, Fredrik Eaton, Allan Gotlieb and Henry Ketcham III, each former directors of Hollinger;

(c) The estate of F. Donald Fullerton, a former director of Hollinger;

(d) CIBC, the lead bank in Hollinger's former lending syndicate;

(e) Torys, former counsel to Hollinger;

(f) KPMG, former auditors of and advisors to Hollinger;

(g) Peter Atkinson, a former director of Hollinger;

(h) John Boultbee, a former director of Hollinger; and

(i) Charles Cowan, a former director of Hollinger.

12. The settlements reached with each of Peter Atkinson and John Boultbee were approved in their entirety by Order of this Court dated September 6, 2013. Each of these settlements provides for the cooperation of these former inside directors and officers with the efforts of Hollinger and the Litigation Trustee to pursue Hollinger's claims against the remaining non-settling defendants.

13. In view of the foregoing settlements, the only remaining defendants to Hollinger's claims are Conrad Black, Barbara Amiel-Black, David Radler, Peter White, Daniel Colson and their private companies.

14. The Litigation Trustee continues to pursue Hollinger's claims against the remaining non-settling defendants. The next major step in the litigation is the establishment of a discovery plan that will set out the parameters for productions and discoveries. Hollinger is currently working on a discovery plan proposal.

Distribution Motion

15. By Notice of Motion dated September 18, 2013, the Applicants sought a distribution of the estates of the Applicants and the establishment of certain reserves for unresolved claims. Pursuant to the directions of Justice Campbell on September 23, 2013, this motion has been adjourned until certain litigation matters are determined. It is the Applicants' intention to bring the distribution motion forward as soon as circumstances permit. Attached as Exhibit "**A**" is a copy of my affidavit sworn September 17, 2013 in respect of the distribution motion (the "**Distribution Affidavit**").

16. I anticipate that, at some point in the near future, possibly during calendar 2014, we will have achieved resolution of the estate matters at which time the Applicants contemplate bringing a motion to terminate or significantly reduce the costs involved in the CCAA proceeding leaving the remaining litigation to continue to its ultimate conclusion and thereafter distributing any further proceeds of settlement or judgment pursuant to further Court order. The goal of taking such steps is to reduce, the administration costs going forward by potentially eliminating or significantly reducing the costs of the Monitor, the Monitor's counsel, the Applicant's CCAA counsel and the CRO. However, a structure will need to be established to ensure that ongoing litigation support, including document management and retrieval is available for the benefit of the Litigation Trustee.

Other Assets

17. Certain of the Applicants and the Non-Applicants have tax attributes that may be monetizable. To this end, I have had a number of discussions with several parties about ways in which these can be monetized. While no transaction has yet been finalized, I am continuing to discuss possible transactions with interested third parties pursuant to which value for the stakeholders might be realized for these attributes.

Financing

18. Pursuant to a commitment letter dated May 25, 2010 which was amended on December 9, 2010, June 21, 2011 and August 22, 2012 (collectively, the "**Commitment Letter**"), Domgroup agreed to provide the Applicants with funding, in the maximum amount of $10.2 million, in order to assist the Applicants in the realization of their assets for the benefit of their stakeholders (the "**DIP Financing**").

19. The Commitment Letter provides that interest accrues at the rate of Canadian Imperial Bank of Commerce's Prime Rate + 3% per annum which is paid monthly by the Applicants to Domgroup. The monthly interest payment made by the Applicants to Domgroup is approximately $50,000. Apart from the Reserve described below, Domgroup's only creditors are the Applicants. As a result, any interest paid by the Applicants to Domgroup will ultimately revert back to the Applicants upon a distribution. In order to avoid (i) accumulating further funds in Domgroup at the expense of the Applicants, and (ii) any potential unnecessary tax obligations, I believe that it is in the best interests of the Applicants and the Non-Applicants that the interest rate in respect of the DIP Financing be reduced to zero.

20. The Applicants have drawn $10.2 million of DIP Financing. As illustrated by the updated cash flow projection for the period from the week ending December 6, 2013 to July 25, 2014, as appended to the Twenty-Sixth Report of the Monitor as Appendix "**C**", assuming that the interest is reduced to zero, the Applicants will require additional DIP Financing of approximately $1.75 million over that period. The cash flow projection indicates that the Applicants have cash totalling $25.4 million. As outlined in the Distribution Affidavit, the cash at Hollinger is the result of litigation settlements and resides with the Litigation Trustee in accordance with the terms of the Multi-Party Settlement Agreement approved by the Court on May 31, 2008. Until certain pre-trial matters are concluded, including motions for security for costs, the Litigation Trustee is not in a position to transfer the funds to the CRO.

21. As a result of the foregoing, the Applicants require an additional $2 million of DIP Financing. To this end, the Commitment Letter has increased the maximum amount available thereunder to $12.2 million (the "**Amended Commitment Letter**"). Domgroup proposes to make this additional funding available to the Applicants to ensure that sufficient funds are available through the Stay Period and beyond if required. A copy of the Amended Commitment Letter dated November 29, 2013 is attached as Exhibit "**B**".

22. As at August 31, 2013, Domgroup was indebted to Hollinger in the undisputed amount of $14.3 million. Pursuant to the terms of the Amended Commitment Letter, the Applicants are entitled to repay their indebtedness under the DIP Financing by way of set off against amounts owing or distributable to the Applicants by Domgroup.

23. All third-party claims against Domgroup have been resolved and paid, except in respect of any remaining liabilities to taxing authorities and an unfiled and unquantified environmental claim asserted by Sun Life Assurance Company of Canada. In my opinion, a reserve of $1.3 million in Domgroup would be sufficient in respect of any future obligations of Domgroup (the "**Reserve**"). After setting aside the Reserve, Domgroup will continue to have sufficient funds to advance the full amount of the DIP Financing proposed under the Amended Commitment Letter to the Applicants.

24. The DIP Financing is required by the Applicants to maximize value for the estates of the Applicants.

Stay Extension

25. The Applicants continue to act in good faith and with due diligence throughout these proceedings. The Applicants require an extension to the Stay Period to July 10, 2014 to allow them to:

(a) complete the claims processes to determine the claims against the Applicants and the Non-Applicants;

(b) complete the asset consolidation and the winding up of the Non-Applicants which is anticipated to be completed in May or June 2014;

(c) continue to pursue a transaction with respect to the tax attributes of the Applicants and Non-Applicants;

(d) continue to pursue the Litigation Assets, including dealing with discovery plan issues and pre-trial matters; and

(e) develop a framework and structure of a plan of arrangement or distribution to be presented to their creditors, if advisable.

26. Based on the foregoing, I, as the CRO, recommend that this Court extend the Stay Period to July 10, 2014.

SWORN before me in the City of Toronto, in the Province of Ontario, this 29th day of November, 2013.

L. Nicholson

Commissioner for Taking Affidavits

Lee Michael Nicholson, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires August 12, 2016.

William E. Aziz

WILLIAM E. AZIZ

APPENDIX B

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the February 8, 2013 Cash Flow Projection

C$ 000s	Projected Results from February 1, 2013 to November 29, 2013	Actual Results from February 1, 2013 to November 29, 2014	Variance	Notes
Opening Cash	**4,989**	**4,989**	-	
Receipts				
Interest income	10	33	23	
Other	500	23,629	23,129	1
Intercompany Accounts Receivable - 10 Toronto	-	-	-	
Intercompany Accounts Receivable - Domgroup	(482)	(494)	(12)	
DIP Borrowings	500	1,000	500	2
Total receipts	**528**	**24,168**	**23,640**	
Disbursements				
General Corporate and Litigation Fees	(801)	(2,271)	(1,470)	3
Chapter 15 Legal Fees (US)	(20)	-	20	
CCAA Legal Fees (Canada)	(556)	(356)	200	
CCAA Monitor Fees	(375)	(250)	125	
Contractor Fees	(734)	(735)	(0)	
Finance, Tax Administration and Financial Advisor Fees	(119)	(84)	35	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to Premises	(146)	(181)	(35)	
Taxes	-	(1)	(1)	
Foreign Exchange	-	85	85	
Other	-	-	-	
Total Disbursements	**(2,749)**	**(3,791)**	**(1,042)**	
Net Cash Inflow / Outflow	**(2,221)**	**20,376**	**22,598**	
Closing Cash Balance	**2,768**	**25,366**	**22,598**	

The cash balance above is shown in thousands of Canadian dollars.

1) The projection did not include the receipt of the Court approved Torys Settlement and the KPMG Settlement totalling approximately $23.1 million due to appeals that had been taken by certain of the non-settling defendants.

2) DIP borrowings were higher than projected as a result of the settlement process not being immediately available to fund the day to day operations of the Applicants. Total DIP borrowing during the period were within the court authorized limit.

3) Upon receipt of the settlement proceeds, the Applicants paid the principal portion of the deferred legal fees, which had not been projected. Approval for the payment of the deferred multiple on these fees has not yet been sought from the Court.

APPENDIX C

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from November 30, 2013 to July 31, 2014

Projection for the Week Ending		**2013**	**2013**	**2013**	**2013**	**2014**	**2014**	**2014**
		1	**2**	**3**	**4**	**5**	**6**	**7**
		Friday	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**
C$ 000s	**Notes**	**06-Dec**	**13-Dec**	**20-Dec**	**27-Dec**	**03-Jan**	**10-Jan**	**17-Jan**
Opening Cash Balance	1	25,366	25,230	25,224	25,054	25,054	24,969	24,975
Receipts								
Interest income	2	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	3	(50)	-	-	-	-	-	-
DIP Borrowings	4	-	-	-	-	-	-	-
Total receipts		**(50)**	**-**	**-**	**-**	**-**	**-**	**-**
Disbursements								
General Corporate and Litigation Legal Fees	5	-	-	(85)	-	-	-	-
Chapter 15 Legal Fees (US)	6	-	-	-	-	-	-	-
CCAA Legal Fees (Canada)	7	-	-	(30)	-	-	-	-
CCAA Monitor and Counsel Fees	8	-	-	(50)	-	-	-	-
Contractor Fees	9	(73)	-	-	-	(73)	-	-
Finance, Tax Administration and Financial Advisor Fees	10	-	(12)	-	-	-	-	(10)
Interest on Senior Secured Notes	11	-	-	-	-	-	-	-
Operating Costs related to premises	12	(12)	6	(5)	-	(12)	6	(6)
Taxes	13	-	-	-	-	-	-	-
Foreign Exchange	14	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Disbursements		**(86)**	**(5)**	**(170)**	**-**	**(85)**	**6**	**(16)**
Net Cash Inflow / Outflow		**(136)**	**(5)**	**(170)**	**-**	**(85)**	**6**	**(16)**
Closing Cash Balance		**25,230**	**25,224**	**25,054**	**25,054**	**24,969**	**24,975**	**24,959**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from November 30, 2013 to July 31, 2014

Projection for the Week Ending / ***C$ 000s***	**Notes**	**2014 8 Friday 24-Jan**	**2014 9 Friday 31-Jan**	**2014 10 Friday 07-Feb**	**2014 11 Friday 14-Feb**	**2014 12 Friday 21-Feb**	**2014 13 Friday 28-Feb**	**2014 14 Friday 07-Mar**
Opening Cash Balance	1	24,959	24,575	24,545	24,960	24,965	24,464	24,434
Receipts								
Interest income	2	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	3	-	-	-	-	-	-	-
DIP Borrowings	4	-	-	500	-	-	-	-
Total receipts		**-**	**-**	**500**	**-**	**-**	**-**	**-**
Disbursements								
General Corporate and Litigation Legal Fees	5	(184)	(30)	-	-	(234)	(30)	-
Chapter 15 Legal Fees (US)	6	-	-	-	-	-	-	-
CCAA Legal Fees (Canada)	7	(100)	-	-	-	(150)	-	-
CCAA Monitor and Counsel Fees	8	(100)	-	-	-	(100)	-	-
Contractor Fees	9	-	-	(73)	-	-	-	(73)
Finance, Tax Administration and Financial Advisor Fees	10	-	-	-	-	(12)	-	-
Interest on Senior Secured Notes	11	-	-	-	-	-	-	-
Operating Costs related to premises	12	-	-	(12)	6	(6)	-	(12)
Taxes	13	-	-	-	-	-	-	-
Foreign Exchange	14	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Disbursements		**(384)**	**(30)**	**(85)**	**6**	**(501)**	**(30)**	**(85)**
Net Cash Inflow / Outflow		**(384)**	**(30)**	**415**	**6**	**(501)**	**(30)**	**(85)**
Closing Cash Balance		**24,575**	**24,545**	**24,960**	**24,965**	**24,464**	**24,434**	**24,349**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from November 30, 2013 to July 31, 2014

Projection for the Week Ending		2014	2014	2014	2014	2014	2014	2014
		15	16	17	18	19	20	21
		Friday	Friday	Friday	Friday	Friday	Friday	Friday
C$ 000s	Notes	14-Mar	21-Mar	28-Mar	04-Apr	11-Apr	18-Apr	25-Apr
Opening Cash Balance	1	24,349	24,355	24,395	24,395	24,310	24,316	23,971
Receipts								
Interest income	2	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	3	-	-	-	-	-	-	-
DIP Borrowings	4	-	500	-	-	-	-	-
Total receipts		**-**	**500**	**-**	**-**	**-**	**-**	**-**
Disbursements								
General Corporate and Litigation Legal Fees	5	-	(219)	-	-	-	(155)	-
Chapter 15 Legal Fees (US)	6	-	-	-	-	-	-	-
CCAA Legal Fees (Canada)	7	-	(150)	-	-	-	(100)	-
CCAA Monitor and Counsel Fees	8	-	(75)	-	-	-	(75)	-
Contractor Fees	9	-	-	-	(73)	-	-	-
Finance, Tax Administration and Financial Advisor Fees	10	-	(10)	-	-	-	(10)	-
Interest on Senior Secured Notes	11	-	-	-	-	-	-	-
Operating Costs related to premises	12	6	(6)	-	(12)	6	(6)	-
Taxes	13	-	-	-	-	-	-	-
Foreign Exchange	14	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Disbursements		**6**	**(460)**	**-**	**(85)**	**6**	**(345)**	**-**
Net Cash Inflow / Outflow		**6**	**40**	**-**	**(85)**	**6**	**(345)**	**-**
Closing Cash Balance		**24,355**	**24,395**	**24,395**	**24,310**	**24,316**	**23,971**	**23,971**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from November 30, 2013 to July 31, 2014

Projection for the Week Ending		**2014**	**2014**	**2014**	**2014**	**2014**	**2014**	**2014**
		22	**23**	**24**	**25**	**26**	**27**	**28**
		Friday	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**
C$ 000s	**Notes**	**02-May**	**09-May**	**16-May**	**23-May**	**30-May**	**06-Jun**	**13-Jun**
Opening Cash Balance	1	23,971	24,386	24,391	24,376	24,171	24,171	24,086
Receipts								
Interest income	2	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	3	-	-	-	-	-	-	-
DIP Borrowings	4	500	-	-	-	-	-	-
Total receipts		**500**	**-**	**-**	**-**	**-**	**-**	**-**
Disbursements								
General Corporate and Litigation Legal Fees	5	-	-	-	(105)	-	-	-
Chapter 15 Legal Fees (US)	6	-	-	-	-	-	-	-
CCAA Legal Fees (Canada)	7	-	-	-	(50)	-	-	-
CCAA Monitor and Counsel Fees	8	-	-	-	(50)	-	-	-
Contractor Fees	9	(73)	-	-	-	-	(73)	-
Finance, Tax Administration and Financial Advisor Fees	10	-	-	(10)	-	-	-	-
Interest on Senior Secured Notes	11	-	-	-	-	-	-	-
Operating Costs related to premises	12	(12)	6	(6)	-	-	(12)	6
Taxes	13	-	-	-	-	-	-	-
Foreign Exchange	14	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Disbursements		**(85)**	**6**	**(16)**	**(205)**	**-**	**(85)**	**6**
Net Cash Inflow / Outflow		**415**	**6**	**(16)**	**(205)**	**-**	**(85)**	**6**
Closing Cash Balance		**24,386**	**24,391**	**24,376**	**24,171**	**24,171**	**24,086**	**24,092**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from November 30, 2013 to July 31, 2014

Projection for the Week Ending		**2014**	**2014**	**2014**	**2014**	**2014**	**2014**
		29	**30**	**31**	**32**	**33**	**34**
		Friday	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**
C$ 000s	**Notes**	**20-Jun**	**04-Jul**	**11-Jul**	**18-Jul**	**25-Jul**	**31-Jul**
Opening Cash Balance	1	24,092	24,122	24,037	24,042	23,823	23,823
Receipts							
Interest income	2	-	-	-	-	-	-
Other		-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	3	-	-	-	-	-	-
DIP Borrowings	4	250	-	-	-	-	-
Total receipts		**250**	**-**	**-**	**-**	**-**	**-**
Disbursements							
General Corporate and Litigation Legal Fees	5	(105)	-	-	(105)	-	-
Chapter 15 Legal Fees (US)	6	-	-	-	-	-	-
CCAA Legal Fees (Canada)	7	(50)	-	-	(50)	-	-
CCAA Monitor and Counsel Fees	8	(50)	-	-	(50)	-	-
Contractor Fees	9	-	(73)	-	-	-	-
Finance, Tax Administration and Financial Advisor Fees	10	(10)	-	-	(9)	-	-
Interest on Senior Secured Notes	11	-	-	-	-	-	-
Operating Costs related to premises	12	(6)	(12)	6	(6)	-	-
Taxes	13	-	-	-	-	-	-
Foreign Exchange	14	-	-	-	-	-	-
Other		-	-	-	-	-	-
Total Disbursements		**(220)**	**(85)**	**6**	**(219)**	**-**	**-**
Net Cash Inflow / Outflow		**30**	**(85)**	**6**	**(219)**	**-**	**-**
Closing Cash Balance		**24,122**	**24,037**	**24,042**	**23,823**	**23,823**	**23,823**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited, (collectively the "Applicants")
Cash Flow Projection for the period from November 30, 2013 to July 31, 2014
Notes and Assumptions

These cash flow projections include projections for Hollinger Inc, 4322525 Canada Inc. and Sugra Limited, (collectively the "**Applicants**").

These projections are based on information from the Applicants which has not been audited, reviewed or otherwise verified. This is not a projection as outlined in the CICA Handbook. The actual timing and amount of the cash flows may fluctuate from the estimates shown herein and these fluctuations may be material.

1) The Opening Cash Balance is shown in thousands of Canadian dollars.
2) Interest income is estimated based on projected cash balances and actual recent rates of return.
3) Intercompany accounts receivable from Domgroup including the interest paid to Domgroup Limited ("**Domgroup**") on the DIP loan (see note 4 below).
4) DIP Borrowings consisting of intercompany borrowings from Domgroup, a wholly owned subsidiary of Hollinger Inc. As of January 31, 2013, Domgroup has made a total of $9.2 million in DIP advances to the Applicants as approved by this Court under the $10.2 million DIP loan agreement.
5) Legal fees represent estimated fees on account of general corporate and litigation services.
6) Chapter 15 Legal Fees reflect the estimated legal fees associated with a Chapter 15 proceedings and certain other US legal issues. These fees are expected to be negligible over the projection period.
7) CCAA Legal Fees (Canada) reflect the estimated legal fees of the Applicants' counsel.
8) CCAA Monitor & Counsel Fees reflect each of the estimated fees of the Monitor and its counsel associated with the CCAA process.
9) Contractor Fees represent fees payable to the Chief Restructuring Officer pursuant to the Multi-Party Settlement Agreement.
10) Finance, Tax Administration and Financial Advisor Fees represent payments to various professionals.
11) Interest on Senior Secured Notes of approximately US $6.0 million is payable twice a year in March and September. The projection assumes that these payments will not be made in accordance with the Multi-Party Settlement and the May 21, 2008 Court Order.
12) Operating Costs re premises represent Hollinger Inc.'s portion of shared costs with Non-Applicants for leases and operating costs associated with the Wellington street storage location and the First Canadian Place offices.
13) The projection does not include any receipts or disbursements as a result of tax reassessments or penalties for late filings, if any.
14) Foreign Exchange represents the effect of translating the Applicants US Dollar cash balances into Canadian Dollars and is not expected to be material over the projection period.