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-FIFTH REPORT OF THE MONITOR

February 8, 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-Fifth Report of the Monitor (the "**Twenty-Fifth Report**") is to update this Court with respect to the following:

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

    (b) the Fourth Excess Layer of Directors' and Officer Insurance;

    (c) the Trust established for the defense of certain former officers of Hollinger;

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

(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 Report, the Monitor has relied upon unaudited financial information and records of the Applicants and certain of their Non-Applicant subsidiaries and discussions with management of the Applicants and Non-Applicants. The Monitor has not performed an audit or other procedures to evaluate the reliability or completeness of the information. Accordingly, the Monitor expresses no opinion, or any other form of assurance, on the historical or prospective financial statements, management representations or other data included in this Report. An examination of the financial projection as outlined in the Canadian Institute of Chartered Accountants ("CICA") Handbook has not been performed. Future oriented financial information relied upon in this Report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

4. Capitalized terms not defined in this Report are as defined in the Initial Order or previous reports of the Monitor. All references to dollars are in Canadian currency unless otherwise noted.

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

Non-Applicants' Claims Process

Domgroup

5. Since the Monitor's Twenty-Fourth Report, appeals were heard by this Court regarding decisions made by the Claims Officer with respect to the claims made by Crystalline Investments ("**Crystalline**") and Burnac Leaseholds ("**Burnac**") against Domgroup issued on February 6, 2012. Crystalline and Burnac appealed both the dismissal of Burnac's claim in its entirety and the reduction of Crystalline's initial claim to $473,474. Domgroup cross-appealed the Claims Officer's decision to allow the increase of Crystalline's claim to reflect its late and amended claim in the total amount of $1,482,459.

6. The appeals and cross-appeals of Crystalline, Burnac and Domgroup were dismissed by this Court on December 13, 2012. The parties have agreed that there will be no further appeal of this decision and the Crystalline claim plus interest in the total amount of $1,857,202 was paid by Domgroup on January 28, 2013.

7. With the resolution and payment of the Burnac and Crystalline claims, there remain some outstanding items to resolve with Canada Revenue Agency related to HST input tax credits and a contingent claim filed by The Ravelston Corporation Limited ("**Ravelston**").

10 Toronto

8. As previously reported, Ravelston, by its Trustee in Bankruptcy, RSM Richter Inc. (now Duff & Phelps Canada Restructuring Inc.) filed an unsecured claim against 10 Toronto. The Ravelston Claim was reduced to a maximum of $200,000 pursuant to an Order of Justice Campbell dated November 10, 2009. The claim in the amount of $492,500 was disallowed in full by the Monitor on November 13, 2009. Ravelston disputed the disallowance on December 11, 2009.

9. 10 Toronto and Ravelston settled the remaining claim on August 22, 2012 and made distributions totalling $200,000 on September 12, 2012. Pursuant to this settlement and the terms of the MPSA, 67% of the settlement was paid to Domgroup.

<u>Applicants' Claims Process</u>

10. There remain a significant number of claims filed by Non-Arms Length Claimants, as defined in the Claims Procedure Order, that are disputed by the Applicants. The majority of these claims have been filed by several former directors of Hollinger. Pursuant to the Claims Procedure Order, such claims must be referred to the Supervising Judge for determination.

Catalyst Claim

11. As previously reported in the Seventeenth Report, Catalyst has asserted that its claim of $1,988,388 is a super-priority claim. The claim was originally filed with the Monitor by Catalyst in the Applicants' Claims Process as an unsecured claim against Hollinger. Catalyst and Hollinger recently agreed to a protocol to complete the adjudication of this claim (the "**Protocol**"), which is attached as Exhibit "A" to the Affidavit of William E. Aziz sworn February 4, 2012 (the "**CRO Affidavit**").

12. In accordance with the Protocol, the Catalyst claim is to be fully adjudicated by the end of April 2013.

FOURTH EXCESS LAYER OF D&O INSURANCE

13. As set out in the CRO Affidavit, Hollinger entered into an agreement to settle the Interpleader proceeding with all parties thereto (the "**Global Settlement**"), in November 2012. The appeal period in relation to these settlements expired in late December, 2012 and on December 28, 2012, Hollinger received USD$2,245,029 as its share of the Interpleader fund in accordance with the Global Settlement. This amount represents the gross amount due to Hollinger of USD$2,550,000, less a contribution of USD$304,971 by Hollinger to settle a dispute involving a trust held by the estate of Hollinger Canadian

Publishing Holdings Co for the benefit of certain retired former employees, the resolution of which was a precondition to the finalization of the Global Settlement.

OFFICERS' INDEMNITY TRUST

14. As set out in the CRO Affidavit and Exhibit "B" appended thereto, pursuant to the Trust Indenture and Contribution Agreement dated July 7, 2005 (the "**Indenture**"), Hollinger established a trust in the amount of $500,000 (the "**Trust**") for the defence of certain officers against claims that may be brought against them by reason of being, or having been, an officer of Hollinger. The only officers of Hollinger who qualify as beneficiaries of the Trust are Monique Delorme and Tatiana Samila (collectively, the "**Specified Officers**").

15. Aird & Berlis LLP was appointed as the Trustee of the Trust pursuant to the terms of the Indenture. The Indenture provides for the payment of fees to the Trustee during the life of the Trust. No claims have been initiated against either of the Specified Officers and it is not anticipated that any will be initiated. The Applicants have confirmed to the Monitor that they will not initiate action against either of the Specified Officers.

16. Pursuant to the terms of the Indenture, the Trust will not terminate until the tenth anniversary of the date that the last Specified Officer ceased being an officer of Hollinger (the expiration of the ten year period is accordingly March 31, 2019) unless the Specified Officers consent in writing to an earlier termination. Ms. Delorme provided her written consent to the termination of the Trust and obtained a release from Hollinger from any potential future liability on January 10, 2013.

17. As shown in Exhibit "C" to the CRO Affidavit, on July 13, 2012, Hollinger sent a letter to Ms. Samila requesting her consent to terminate the Trust in exchange for a release by Hollinger of any future liability. This request was again made by email on October 3, 2012. No response to this letter or email has been received. A further letter was sent to Ms. Samila on January 10, 2013 requesting her consent to the termination of the Trust and advising that if no response was received, the Applicants would seek an order

terminating the Trust from the Court. The Monitor understands that, to date, no response has been received from Ms. Samila.

18. It is important to note that Ms. Samila previously filed a claim with 10 Toronto relating to certain pension entitlements and medical expenses and did not include any amounts for future contributions or indemnity. The claim was disallowed by the Claims Officer on December 13, 2010 and was not appealed by Ms. Samila.

19. Based on the foregoing, the Monitor supports the Applicants' motion for an order terminating the Trust.

THE APPLICANTS' ACTUAL CASH RECEIPTS AND DISBURSEMENTS

20. A summary of the Applicants' actual receipts and disbursements for the period from August 4, 2012 to January 31, 2013 (the "**Reporting Period**"), compared to their projections filed with this Court in the appendices to the Twenty-Fourth Report, is attached as Appendix "A" hereto and summarized below.

For the period August 4, 2012 to January 31, 2013

C$ 000s	Projections	Actual	Variance
Opening Cash, ex. Funds in Trust	**1,069**	**1,069**	**-**
Receipts			
Total receipts	7,452	8,757	1,304
Total disbursements	(5,075)	(4,837)	238
Net Cash Inflow / Outflow	**2,377**	**3,919**	**1,542**
Closing Cash Balance	**3,446**	**4,989**	**1,542**

21. Actual net cash receipts for the Reporting Period totaled $8.8 million, approximately $1.3 million greater than projected.

22. Actual cash disbursements for the Reporting Period totaled $4.8 million, approximately $0.2 million less than projected.

23. 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.

24. As of January 31, 2013, total DIP drawings outstanding were $9.2 million.

25. As at January 31, 2013, the cash balances of the Applicants and the principal Non-Applicants (with material amounts of cash), excluding the $0.5 million held in trust by Aird & Berlis for the officers' indemnity trust, were as follows:

	(Cdn. Millions)
Applicants	$5.0
Domgroup	$6.9
10 Toronto	$1.2

THE APPLICANTS' UPDATED CASH FLOW PROJECTIONS

26. The Applicants, with the assistance of the Monitor, have prepared a cash flow projection (the "**Cash Flow Projection**") for the period from February 1, 2013 to January 10, 2014 (the "**Projection Period**"). A copy of the Cash Flow Projection is attached as Appendix "B" 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**").

27. At this time, the Applicants' Cash Flow Projection estimates that during the Projection Period, the Applicants will have net receipts of approximately $0.4 million and total disbursements of approximately $2.6 million. The Applicants' cash position at the commencement of the Projection Period is estimated to be approximately $5.0 million and total additional net draws under the DIP facility are estimated to be $0.5 million

during the Projection Period. As the appeal period has not elapsed with respect to the Torys and KPMG Settlements, no proceeds from these settlements have been included in the Cash Flow Projection.

28. The Cash Flow Projection estimates that the Applicants will have sufficient liquidity to operate during the Projection Period.

29. 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.

30. Based on the Monitor's review, nothing has come to its attention that causes us 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.

31. 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.

32. 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

33. The Applicants are seeking an extension of the Stay Period to January 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

34. 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. A scheduling conference in respect of the remaining litigation was conducted before this Court on February 5, 2013. As a result of this conference, 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, completing potential pleadings motions and documentary and oral discoveries.

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

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

37. Finally, as described above, the Applicants have made attempts to contact and obtain waivers from the Specified Officers. The Specified Officers are not named in the Applicants' revised Statement of Claim and Ms. Samila's claim against 10 Toronto was dealt with by the Claims Officer.

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

(a) extending the Stay Period to January 10, 2014; and

(b) terminating the Officers' Indemnity Trust.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 8TH DAY OF FEBRUARY, 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

APPENDIX A

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the August 24, 2012 Cash Flow Projection

C$ 000s	Projected Results from August 4, 2012 to January 31, 2013	Actual Results from August 4, 2012 to January 31, 2013	Variance	Notes
Opening Cash, ex. Funds in Trust	**1,069**	**1,069**	-	
Receipts				
Interest income	5	7	2	
Other	5,280	7,514	2,234	1
Intercompany Accounts Receivable - 10 Toronto	-	74	74	
Intercompany Accounts Receivable - Domgroup	(333)	(338)	(5)	
DIP Borrowings	2,500	1,500	(1,000)	2
Total receipts	**7,452**	**8,757**	**1,304**	
Disbursements				
General Corporate and Litigation Fees	(3,968)	(3,934)	34	
Chapter 15 Legal Fees (US)	-	-	-	
CCAA Legal Fees (Canada)	(367)	(209)	158	
CCAA Monitor Fees	(275)	(161)	114	
Contractor Fees	(300)	(367)	(67)	3
Finance, Tax Administration and Financial Advisor Fees	(99)	(65)	34	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to Premises	(67)	(104)	(38)	
Taxes	-	-	-	
Foreign Exchange	-	3	3	
Other	-	-	-	
Distributions to Creditors	-	-	-	
Total Disbursements	**(5,075)**	**(4,837)**	**238**	
Net Cash Inflow / Outflow	**2,377**	**3,919**	**1,542**	
Closing Cash Balance	**3,446**	**4,989**	**1,542**	

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.

1) The projection did not include the receipt of the Interpleader proceeds of approximately $2,2 million which was not finalized at the time of the filing of the Twenty-Fourth Monitor's Report. Other receipts relate to the Court approved CIBC and Fullerton Settlement and the Outside Directors' Settlement receipts otaling approximately $5.3 million.

2) DIP borrowings were lower than projected as a result of higher than projected settlement proceeds as discussed above.

3) The cash flow projection did not properly reflect the Court approved fees of the CRO as set out in the Multi-Party Settlement Agreement and the May 21, 2008 Court Order. The variance is entirely explained by this projection error.

APPENDIX B

APPENDIX B

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from February 1, 2013 to January 10, 2014

Projection for the Week Ending		2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday
C$ 000s	Notes	01-Feb	08-Feb	15-Feb	22-Feb	28-Feb	08-Mar	15-Mar	22-Mar	29-Mar	05-Apr	12-Apr	19-Apr	26-Apr	03-May
Opening Cash Balance	1	4,989	5,358	5,365	5,194	5,119	5,119	4,990	4,985	4,800	5,293	5,159	5,154	4,994	4,986
Receipts															
Interest income	2	-	1	-	-	-	1	-	-	-	1	-	-	-	1
Other	3	-	-	-	-	-	-	-	-	500	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	4	(47)	-	-	-	-	(45)	-	-	-	(49)	-	-	-	(48)
DIP Borrowings	5	500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts		**453**	**1**	**-**	**-**	**-**	**(44)**	**-**	**-**	**500**	**(48)**	**-**	**-**	**-**	**(47)**
Disbursements															
General Corporate and Litigation Legal Fees	6	-	-	(35)	(68)	-	-	-	(78)	-	-	-	(78)	-	-
Chapter 15 Legal Fees (US)	7	-	-	(2)	-	-	-	-	(2)	-	-	-	(2)	-	-
CCAA Legal Fees (Canada)	8	-	-	(56)	-	-	-	-	(56)	-	-	-	(56)	-	-
CCAA Monitor and Counsel Fees	9	-	-	(50)	-	-	-	-	(50)	-	-	-	(25)	-	-
Contractor Fees	10	(73)	-	-	-	-	(73)	-	-	-	(73)	-	-	-	(73)
Finance, Tax Administration and Financial Advisor Fees	11	-	-	(17)	-	-	-	(11)	-	-	-	(11)	-	-	-
Interest on Senior Secured Notes	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Costs related to premises	13	(12)	6	(11)	(8)		(12)	6	-	(8)	(12)	6	-	(8)	(12)
Taxes	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Exchange	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		**(85)**	**6**	**(171)**	**(75)**	**-**	**(85)**	**(5)**	**(185)**	**(8)**	**(85)**	**(5)**	**(160)**	**(8)**	**(85)**
Net Cash Inflow / Outflow		**369**	**7**	**(171)**	**(75)**	**-**	**(129)**	**(5)**	**(185)**	**493**	**(134)**	**(5)**	**(160)**	**(8)**	**(132)**
Closing Cash Balance		**5,358**	**5,365**	**5,194**	**5,119**	**5,119**	**4,990**	**4,985**	**4,800**	**5,293**	**5,159**	**5,154**	**4,994**	**4,986**	**4,854**

See accompanying notes and assumptions which should be read in conjunction herewith

APPENDIX B

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from February 1, 2013 to January 10, 2014

Projection for the Week Ending		2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
		15	16	17	18	19	20	21	22	23	24	25	26	27	28
		Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday
C$ 000s	Notes	10-May	17-May	24-May	31-May	07-Jun	14-Jun	21-Jun	28-Jun	05-Jul	12-Jul	19-Jul	26-Jul	02-Aug	09-Aug
Opening Cash Balance	1	4,854	4,849	4,689	4,681	4,681	4,547	4,541	4,381	4,373	4,241	4,236	4,236	4,068	3,935
Receipts															
Interest income	2	-	-	-	-	1	-	-	-	1	-	-	-	1	-
Other	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	4	-	-	-	-	(49)	-	-	-	(48)	-	-	-	(49)	-
DIP Borrowings	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts		**-**	**-**	**-**	**-**	**(48)**	**-**	**-**	**-**	**(47)**	**-**	**-**	**-**	**(48)**	**-**
Disbursements															
General Corporate and Litigation Legal Fees	6	-	(78)	-	-	-	-	(78)	-	-	-	-	(78)	-	-
Chapter 15 Legal Fees (US)	7	-	(2)	-	-	-	-	(2)	-	-	-	-	(2)	-	-
CCAA Legal Fees (Canada)	8	-	(56)	-	-	-	-	(56)	-	-	-	-	(56)	-	-
CCAA Monitor and Counsel Fees	9	-	(25)	-	-	-	-	(25)	-	-	-	-	(25)	-	-
Contractor Fees	10	-	-	-	-	(73)	-	-	-	(73)	-	-	-	(73)	-
Finance, Tax Administration and Financial Advisor Fees	11	(11)	-	-	-	-	(12)	-	-	-	(11)	-	-	-	(11)
Interest on Senior Secured Notes	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Costs related to premises	13	6	-	(8)		(12)	6	-	(8)	(12)	6	-	(8)	(12)	6
Taxes	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Exchange	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		**(5)**	**(160)**	**(8)**	**-**	**(85)**	**(6)**	**(160)**	**(8)**	**(85)**	**(5)**	**-**	**(168)**	**(85)**	**(5)**
Net Cash Inflow / Outflow		**(5)**	**(160)**	**(8)**	**-**	**(134)**	**(6)**	**(160)**	**(8)**	**(132)**	**(5)**	**-**	**(168)**	**(134)**	**(5)**
Closing Cash Balance		**4,849**	**4,689**	**4,681**	**4,681**	**4,547**	**4,541**	**4,381**	**4,373**	**4,241**	**4,236**	**4,236**	**4,068**	**3,935**	**3,930**

See accompanying notes and assumptions which should be read in conjunction herewith

APPENDIX B

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from February 1, 2013 to January 10, 2014

Projection for the Week Ending *C$ 000s*	Notes	2013 29 Friday 16-Aug	2013 30 Friday 23-Aug	2013 31 Friday 30-Aug	2013 32 Friday 06-Sep	2013 33 Friday 13-Sep	2013 34 Friday 20-Sep	2013 35 Friday 27-Sep	2013 36 Friday 04-Oct	2013 37 Friday 11-Oct	2013 38 Friday 18-Oct	2013 39 Friday 25-Oct	2013 40 Friday 01-Nov	2013 41 Friday 08-Nov	2013 42 Friday 15-Nov
Opening Cash Balance	1	3,930	3,930	3,762	3,762	3,628	3,622	3,437	3,429	3,297	3,292	3,292	3,099	2,965	2,961
Receipts															
Interest income	2	-	-	-	1	-	-	-	1	-	-	-	1	-	-
Other	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	4	-	-	-	(49)	-	-	-	(48)	-	-	-	(49)		
DIP Borrowings	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts		**-**	**-**	**-**	**(48)**	**-**	**-**	**-**	**(47)**	**-**	**-**	**-**	**(48)**	**-**	**-**
Disbursements															
General Corporate and Litigation Legal Fees	6	-	(78)	-	-	-	(78)	-	-	-	-	(78)	-	-	-
Chapter 15 Legal Fees (US)	7	-	(2)	-	-	-	(2)	-	-	-	-	(2)	-	-	-
CCAA Legal Fees (Canada)	8	-	(56)	-	-	-	(56)	-	-	-	-	(56)	-	-	-
CCAA Monitor and Counsel Fees	9	-	(25)	-	-	-	(50)	-	-	-	-	(50)	-	-	-
Contractor Fees	10	-	-	-	(73)	-	-	-	(73)	-	-	-	(73)	-	-
Finance, Tax Administration and Financial Advisor Fees	11	-	-	-	-	(12)	-	-	-	(11)	-	-	-	(11)	-
Interest on Senior Secured Notes	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Costs related to premises	13	-	(8)		(12)	6	-	(8)	(12)	6	-	(8)	(12)	6	-
Taxes	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Exchange	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		**-**	**(168)**	**-**	**(85)**	**(6)**	**(185)**	**(8)**	**(85)**	**(5)**	**-**	**(193)**	**(85)**	**(5)**	**-**
Net Cash Inflow / Outflow		**-**	**(168)**	**-**	**(134)**	**(6)**	**(185)**	**(8)**	**(132)**	**(5)**	**-**	**(193)**	**(134)**	**(5)**	**-**
Closing Cash Balance		**3,930**	**3,762**	**3,762**	**3,628**	**3,622**	**3,437**	**3,429**	**3,297**	**3,292**	**3,292**	**3,099**	**2,965**	**2,961**	**2,961**

See accompanying notes and assumptions which should be read in conjunction herewith

APPENDIX B

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from February 1, 2013 to January 10, 2014

Projection for the Week Ending		**2013**	**2013**	**2013**	**2013**	**2013**	**2013**	**2014**	**2014**
		43	**44**	**45**	**46**	**47**	**48**	**49**	**50**
		Friday	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**
C$ 000s	**Notes**	**22-Nov**	**29-Nov**	**06-Dec**	**13-Dec**	**20-Dec**	**27-Dec**	**03-Jan**	**10-Jan**
Opening Cash Balance	**1**	2,961	2,768	2,768	2,636	2,629	2,444	2,437	2,315
Receipts									
Interest income	**2**	-	-	1	-	-	-	1	-
Other	**3**	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto		-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup	**4**		-	(48)	-	-	-	(49)	-
DIP Borrowings	**5**	-	-	-	-	-	-	-	-
Total receipts		**-**	**-**	**(47)**	**-**	**-**	**-**	**(48)**	**-**
Disbursements									
General Corporate and Litigation Legal Fees	**6**	(78)	-	-	-	(78)	-	-	-
Chapter 15 Legal Fees (US)	**7**	(2)	-	-	-	(2)	-	-	-
CCAA Legal Fees (Canada)	**8**	(56)	-	-	-	(56)	-	-	-
CCAA Monitor and Counsel Fees	**9**	(50)	-	-	-	(50)	-	-	-
Contractor Fees	**10**	-	-	(73)	-	-	-	(73)	-
Finance, Tax Administration and Financial Advisor Fees	**11**	-	-	-	(12)	-	-	-	-
Interest on Senior Secured Notes	**12**	-	-	-	-	-	-	-	-
Operating Costs related to premises	**13**	(8)		(12)	6	-	(8)	-	-
Taxes	**14**	-	-	-	-	-	-	-	-
Foreign Exchange	**15**	-	-	-	-	-	-	-	-
Total Disbursements		**(193)**	**-**	**(85)**	**(6)**	**(185)**	**(8)**	**(73)**	**-**
Net Cash Inflow / Outflow		**(193)**	**-**	**(132)**	**(6)**	**(185)**	**(8)**	**(122)**	**-**
Closing Cash Balance		**2,768**	**2,768**	**2,636**	**2,629**	**2,444**	**2,437**	**2,315**	**2,315**

See accompanying notes and assumptions which should be read in conjunction herewith

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited, (collectively the "Applicants")
Cash Flow Projection for the period from February 1, 2013 to January 10, 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 and excludes the amounts held in trust by Aird & Berlis for the officers' indemnity trust.

2) Interest income is estimated based on projected cash balances and actual recent rates of return.

3) Other receipts relate primarily to the receipt of the $0.5 million Officer's Indemnity Trust which is expected to be released in March 2013 subject to Court approval.

4) Intercompany accounts receivable from Domgroup including the interest paid to Domgroup Limited ("Domgroup") on the DIP loan (see note 4 below).

5) DIP Borrowings consisting of intercompany borrowings from Domgroup, a wholly owned subsidiaries 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.

6) Legal fees represent estimated fees on account of general corporate and litigation services.

7) Chapter 15 Legal Fees reflect the estimated legal fees associated with a Chapter 15 precedings and certain other US legal issues. These fees are expected to be negligible over the projection period.

8) CCAA Legal Fees (Canada) reflect the estimated legal fees of the Applicants' counsel.

9) CCAA Monitor & Counsel Fees reflect each of the estimated fees of the Monitor and its counsel associated with the CCAA process.

10) Contractor Fees represent fees payable to the Chief Restructuring Officer pursuant to the Multi-Party Settlement Agreement.

11) Finance, Tax Administration and Financial Advisor Fees represent payments to various professionals.

12) 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.

13) 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.

14) The projection does not include any receipts or disbursements as a result of tax reassessments or penalties for late filings, if any.

15) 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 projected period.