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., 4315525 CANADA INC. AND SUGRA LIMTED

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

FOURTH REPORT OF THE MONITOR
SEPTEMBER 25, 2007

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 Honourable 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 Fourth Report of the Monitor (the "Fourth Report") is to advise this Honourable Court with respect to the following:

    (a) Status of Applicants' Settlement Discussions with Stakeholders;

    (b) Updated Cash Flow Projections for the Period September 15, 2007 to February 1, 2008 (the "September 15 Projection");

    (c) Status of Certain Non-Applicant Asset Divestitures;

    (d) Status of Foreign Proceedings;

(e) Applicants' Proposed Action Plan and Request For Extension of the Stay Period; and

(f) 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. 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.

STATUS OF APPLICANTS' SETTLEMENT DISCUSSIONS WITH STAKEHOLDERS

5. On August 31, 2007, pursuant to the Settlement Term Sheet, as endorsed by this Honourable Court on August 31, 2007, the Applicants and certain key stakeholders, including the Indenture Trustee, DK and STMG, entered into a standstill period until September 21, 2007. The standstill period provided the parties with the opportunity to

engage in discussions to achieve a global settlement agreement with their major stakeholders.

6. During the period September 1 to September 25, 2007 the Applicants and their Stakeholders engaged in settlement discussions. These discussions included face to face negotiations between the parties on September 10 and 11, with the assistance of the Honourable Justice Morawetz and the participation of the Monitor.

7. Discussions continued on September 25, 2007, but have not yet resulted in a settlement agreement.

CASH FLOW PACKAGE

8. The Monitor attaches to this Fourth Report the following:

   - Appendix A – September 15 Projection including the underlying assumptions for the period September 15, 2007 to February 1, 2008 (the "Projection Period");
   - Appendix B – Consolidated Weekly Cash Flow Variance Analysis for the Applicants for the 2 week period ended September 21, 2007 as compared to same period of the September 1 Projection included in the Monitor's Second Report;

9. As summarized in the September 15 Projection, the Applicants' opening cash on hand as at September 15, 2007 reflects the funds received by Holcay with respect to the sale of CFP. The closing of the transaction and the receipt of the net sale proceeds is described in more detail in the "Status of Certain Non-Applicant Asset Divestitures" section below.

10. As summarized in the September 15 Projection, the Applicants are projecting total receipts of $5.4 million and total cash disbursements of $11.7, resulting in a net decrease in cash of $6.3 million over the Projection Period.

11. The receipts primarily consist of $5.4 million from 10 Toronto. 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 projected inter-company repayments combined with inter-company repayments up to September 21, 2007 total $7.8 million. The Applicants have indicated that 10 Toronto is prepared to

commit to repay an additional $0.3 million of inter-company amounts owing on an "as needed" basis.

12. Cash disbursements consist primarily of legal fees related to the CCAA and Chapter 15 proceedings and the litigation assets on a continuing "lights on" basis.

13. The costs related to the CCAA and Chapter 15 proceedings do not include potential costs associated with a claims process or the establishment of a litigation trust.

14. The costs related to the litigation trust are only those associated with maintaining and preserving the litigation assets and do not include potential costs associated with the establishment of the litigation trust or other legal structure or associated documentation and due diligence costs.

15. Cash disbursements also include a very preliminary estimate of the costs associated with a claims process for the Applicants. It is not possible to estimate the cost of a claims process with much precision at this time. Further information regarding the nature and quantum of claims is required. The estimates are, as a result, based solely on the assumption that there would be a small team of professionals spending much of their time administering a claims process with some, likely significant, time required to deal with issues, appeals to claims officers and court proceedings. Actual costs for administering a claims process will vary from the preliminary estimate. The variance may be material. The Monitor considers that these costs will be incurred under any likely wind-up structure.

16. The Applicants, with the assistance of the Monitor, have performed additional analysis of the accrued fees for the more significant legal service providers and advisors to obtain a more accurate estimate of the unpaid invoices and work-in-process costs not yet invoiced to the Applicants. A summary of the accrued legal fees as at September 14, 2007 was provided to the Service List in the Monitor's Third Communication dated September 20, 2007. The Second and Third Communications of the Monitor are attached as Appendix C and D, respectively.

17. The Settlement Term Sheet did not permit outstanding pre-filing legal fees to be paid during the Standstill Period. The September 15 Projection reflects the payment of the

pre-filing legal fees of approximately $0.8 million in accordance with payments permitted pursuant to the Initial Order.

STATUS OF CERTAIN NON-APPLICANT ASSET DIVESTITURES

18. As previously indicated in the Monitor's Second Report, Holcay and Hollinger entered into a share repurchase agreement with CFP ("SPA") on August 9, 2007.

19. The Applicants advised the Monitor that the transaction closed on September 6, 2007

20. The aggregate proceeds from the sale of shares and Holcay's share of CFP's dividend are approximately US $5.7 million. These funds were received from the purchaser and are currently held in trust by Hollinger's counsel, Davies, Ward, Phillips and Vineberg ("Davies"), pending the mechanics of payment to Hollinger and Domgroup being finalized.

21. As previously indicated, Hollinger and Holcay will allow any cash held by Holcay to be used by the Applicants in the CCAA proceedings, subject to the mechanics of payment being finalized.

22. The Applicants have advised the Monitor that Davies has indicated that it reserves its right to assert remedies for unpaid fees as against the proceeds.

23. The receipt of these funds has been reflected in the opening cash on hand as at September 15, 2007 in the Applicants' cash flow forecast attached as Appendix A.

STATUS OF FOREIGN PROCEEDINGS

24. As previously reported in the Monitor's First Report, concurrently with the filing for CCAA protection in Canada the Applicants made a petition in Delaware for an Order under Chapter 15 of the United States Bankruptcy Code seeking recognition of the CCAA proceedings and sought a stay of proceedings in the United States.

25. On August 1, 2007, the Applicants obtained a temporary restraining order from the U.S. Bankruptcy Court. A hearing with respect to a preliminary injunction was scheduled for August 10, 2007.

26. On August 10, 2007, the U.S. Bankruptcy Court issued a preliminary injunction pending the entry of an order recognizing the CCAA proceedings as a foreign proceeding under Chapter 15 of the Bankruptcy Code. On the same date, Hollinger Inc. was made the Foreign Representative of the Applicants.

27. On August 28, 2007 the CCAA proceedings were recognized as a foreign main proceeding ("the Foreign Recognition Order"). The Foreign Recognition Order provides that the automatic stay under section 362 of the Bankruptcy Code applies to the Applicants and any property of the Applicants within the territorial United States.

28. As previously reported in the Monitor's First Report, on August 20, 2007, the Indenture Trustee filed a motion seeking adequate protection of its interests in the collateral subject to the Chapter 15 proceedings (the "Adequate Protection Motion"). The Indenture Trustee initially requested that the motion be heard concurrently with the recognition hearing to be heard on August 28, 2007. After teleconferences with the U.S. Court on August 30th and September 4, 2007, (and the Order of this Honourable Court dated August 31, 2007 providing for a standstill period to September 21, 2007), the Indenture Trustee and the Applicants agreed to a scheduling order which provides for, among other things, a hearing on the Adequate Protection Motion on October 23, 2007. On September 25, 2007, in accordance with the scheduling order, the Applicants delivered to the Indenture Trustee a first request for production of documents with respect to the Adequate Protection Motion.

29. The Monitor has participated in the motions and teleconferences in the U.S. proceedings since August 28, 2007.

APPLICANTS' PROPOSED ACTION PLAN AND REQUEST FOR AN EXTENSION OF THE STAY PERIOD

30. Pursuant to an Order of this Honourable Court dated August 31, 2007, the Stay Period was extended until midnight, September 28, 2007.

31. In their motion materials served on September 25, 2007 the Applicants seek an extension of the Stay Period for a period of 120 days to January 28, 2008.

MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

32. Since the date of the Term Sheet and the Monitor's Second Report, the Applicants have engaged in settlement discussions with the noteholders, Indenture Trustee and STMG with the assistance of Justice Morawetz and with the participation of the Monitor.

33. These discussions have not yielded an agreement. The parties have indicated that they wish to continue these without prejudice discussions over the coming days. Accordingly, it is premature for the Monitor to address at this time the full stay extension sought by the Applicants.

34. In light of ongoing negotiations and the need to fully update the record before this Honourable Court in respect of the recently filed materials, the Monitor recommends an adjournment of the stay extension motion for approximately two weeks and a corresponding extension of the Stay Period, together with any necessary interim terms.

35. The Monitor understands that the Indenture Trustee will seek a corresponding adjournment of the Adequate Protection Motion.

36. The Settlement Term Sheet precluded the payment during the Standstill Period (which ended September 21, 2007) of pre-filing legal fees which were otherwise payable pursuant to the terms of the Initial Order. The Applicants wish to pay these amounts. The Monitor recommends payment of these pre-filing legal fees, which are approximately

$0.8 million, in order to both preserve the value of the litigation assets and ensure payment for activities adding value for the benefit of the Applicants' stakeholders.

ALL OF WHICH IS RESPECTFULLY SUBMITTED BY:

ERNST & YOUNG INC.

In its capacity as Court-appointed
Monitor of Hollinger Inc. and certain of its affiliates

Per:

Brian Denega
Senior Vice President

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period September 15, 2007 to February 1, 2008

C$ 000s	Notes	1 Friday 21-Sep	2 Friday 28-Sep	3 Friday 05-Oct	4 Friday 12-Oct	5 Friday 19-Oct	6 Friday 26-Oct	7 Friday 02-Nov	8 Friday 09-Nov	9 Friday 16-Nov	10 Friday 23-Nov	11 Friday 30-Nov
Opening Cash Balance	1	**6,310**	**5,167**	**3,856**	**2,479**	**2,094**	**1,653**	**1,192**	**603**	**218**	**-**	**-**
Receipts												
Dividends		-	-	-	-	-	-	-	-	-	-	-
Interest income	2	-	-	9	-	-	-	3	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable	3	-	-	-	-	-	-	-	-	223	460	362
Total receipts		**-**	**-**	**9**	**-**	**-**	**-**	**3**	**-**	**223**	**460**	**362**
Disbursements												
Payroll & Benefits	4	(19)	-	(4)	(17)	(1)	(17)	(4)	(17)	(1)	(17)	-
Directors Fees	5	(59)	-	-	-	(59)	-	-	-	(59)	-	-
Legal Fees	6	(339)	(435)	(817)	(96)	(96)	(96)	(96)	(96)	(96)	(96)	(96)
Chapter 15 Legal Fees (US)	7	(290)	(300)	(19)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
CCAA Legal Fees (Canada)	8	(324)	(384)	(146)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
CCAA Monitor Fees	9	(85)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)
Contractor Fees	10	-	-	(127)	-	-	-	(127)	-	-	-	-
Advisors	11	(16)	(89)	(76)	(14)	(15)	(89)	(76)	(14)	(15)	(89)	(7)
Litigation Trust	12	-	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)
Monitor re Claims Process	13	-	-	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
Monitor Counsel re Claims Process	14	-	-	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Interest on Senior Secured Notes	15	-	-	-	-	-	-	-	-	-	-	-
Operating Costs related to building	16	-	-	(10)	-	-	-	(10)	-	-	-	-
Taxes	17	-	-	-	-	-	-	(22)	-	-	-	-
Other	18	(12)	(1)	(1)	(1)	(12)	(1)	(1)	(1)	(12)	(1)	(1)
Total Disbursements		**(1,143)**	**(1,311)**	**(1,386)**	**(385)**	**(441)**	**(460)**	**(593)**	**(385)**	**(441)**	**(460)**	**(362)**
Net Cash Inflow / Outflow		**(1,143)**	**(1,311)**	**(1,377)**	**(385)**	**(441)**	**(460)**	**(589)**	**(385)**	**(218)**	**-**	**-**
Closing Cash Balance		**5,167**	**3,856**	**2,479**	**2,094**	**1,653**	**1,192**	**603**	**218**	**-**	**-**	**-**

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

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period September 15, 2007 to February 1, 2008

C$ 000s	Notes	12 Friday 07-Dec	13 Friday 14-Dec	14 Friday 21-Dec	15 Friday 28-Dec	16 Friday 04-Jan	17 Friday 11-Jan	18 Friday 18-Jan	19 Friday 25-Jan	20 Friday 01-Feb
Opening Cash Balance	1	-	-	-	-	-	-	-	-	-
Receipts										
Dividends		-	-	-	-	-	-	-	-	-
Interest income	2	0	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable	3	616	363	463	437	599	379	448	454	599
Total receipts		616	363	463	437	599	379	448	454	599
Disbursements										
Payroll & Benefits	4	(21)	(1)	(17)	-	(4)	(18)	(1)	(18)	(4)
Directors Fees	5	-	-	(59)	-	-	-	(59)	-	-
Legal Fees	6	(96)	(96)	(96)	(96)	(96)	(96)	(96)	(96)	(96)
Chapter 15 Legal Fees (US)	7	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
CCAA Legal Fees (Canada)	8	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
CCAA Monitor Fees	9	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)
Contractor Fees	10	(127)	-	-	-	(127)	-	-	-	(127)
Advisors	11	(82)	(7)	(22)	(82)	(82)	(7)	(22)	(82)	(82)
Litigation Trust	12	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)
Monitor re Claims Process	13	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)
Monitor Counsel re Claims Process	14	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Interest on Senior Secured Notes	15	-	-	-	-	-	-	-	-	-
Operating Costs related to building	16	(10)	-	-	-	(10)	-	-	-	(10)
Taxes	17	(22)	-	-	-	(22)	-	-	-	(22)
Other	18	(1)	(1)	(12)	(1)	(1)	(1)	(12)	(1)	(1)
Total Disbursements		(616)	(363)	(463)	(437)	(599)	(379)	(448)	(454)	(599)
Net Cash Inflow / Outflow		-	-	-	-	-	-	-	-	-
Closing Cash Balance		-	-	-	-	-	-	-	-	-

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
Notes and Assumptions

These cash flow projections include cash flow 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 or forecast under section 4250 of 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.

Foreign Exchange Rate used for this projection is **1.00**

1) The Cash balance is shown in thousands of Canadian dollars and excludes the amounts held in trust by Aird & Berlis for the officers' indemnity trust. The opening cash balance includes approximately US $5.7 million held in trust by Davies, Ward, Philips and Vineberg, in the name of Holcay Holdings, a wholly owned subsidiary of Hollinger Inc.
It is assumed that any cash held by Holdings is available for use by the Applicants, upon payment of any amounts owing by Holcay, including $1.7 million owing to Domgroup by Holcay.
The Applicants have been advised that Davies has reserved its rights with respect to solicitors' liens, set off or similar rights for unpaid fees.

2) Interest income is estimated based on projected cash balances and actual recent rates of return. No provision has been made for interest, fees or other charges in connection with any borrowings that may be required.

3) Intercompany accounts receivable consist of intercompany repayments from 10 Toronto Street, a wholly owned subsidiary of Hollinger Inc. The Applicants advise that 10 Toronto owed Hollinger Inc. approximately $9.6 million as at filing and has agreed to repay up to $7.5 million of the intercompany balance during the period on an "as needed" basis.
The projected repayments from August 1, 2007 to February 1, 2008 total approximately $8.1 million.

4) Payroll and benefits represent a reimbursement to 10 Toronto by Hollinger for 50% of the total employee related costs, including payroll, benefits and prefiling severance costs.

5) Directors' fees assume one monthly meeting of the board of directors and each committee.

6) Legal fees represent payment on account of general corporate and litigation services both for the benefit of and against the companies and reflect the new run rates in accordance with the settlement term sheet in accordance with the settlement term sheet assuming an Order is made on consent that continues these terms of settlement during the Stay Period. The company has projected to pay the legal fees incurred prior to filing during the week ended October 5, 2007.

7) Chapter 15 Legal Fees reflect the estimated legal fees associated with a Chapter 15 filing and certain other US legal issues. This does not include an estimated $1 million required to respond to an adequate protection motion brought by the Indenture Trustee.

8) CCAA Legal Fees reflect the estimated legal fees of both the Company's and Monitor's respective counsel.
These forecasts do not include costs of negotiating funding agreements, trust documents and due diligence with respect to a litigation trust.

9) CCAA Monitor Fees reflect the estimated monitor fees associated with a CCAA filing.

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

11) Advisor Fees represent payments to various professionals including the Inspector, auditors, transfer agent and others.

12) Litigation Trust represents the fees to be spent in maintaining and preserving the litigation assets pending completion of the trust.

13) Monitor Fees re claims process reflect the estimated additional monitor fees associated with a CCAA claims process.

14) Monitor Counsel re Claim Process fees reflect the estimated additional monitor counsel fees associated with a CCAA claims process.
In addition, the costs of the Company's legal counsel in determining validity and quantum of claims may result in an increase in the claim process fees.

15) 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 would continued to be stayed by the CCAA filing.

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

17) Taxes represent GST and monthly instalments of corporate tax. The projection does not include any receipts or disbursements as a result of reassessments or penalty payments on late filings.

18) Other includes sundry expenses including computer support, TSX fees and other disbursements.

19) The projections do not include any potential recoveries due to successful litigation or miscellaneous asset sales.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the August 31, 2007 Cash Flow Projection

C$ 000s	Projected Results for the 2 Weeks Ended Friday 14-Sep	Actual Results for the 2 Weeks Ended Friday 14-Sep	Variance	Notes
Opening Cash, ex. Funds in Trust	**907**	**926**	19	
Receipts				
Dividends	-	-	-	
Interest income	2	-	(2)	
Other	-	5,399	5,399	
Intercompany Accounts Receivable	1,787	1,173	(614)	1
Total receipts	**1,789**	**6,572**	**4,783**	
Disbursements				
Payroll & Benefits	(42)	(40)	2	
Directors Fees and Insurance	-	-	-	
Legal Fees (including retainers)	(1,103)	(439)	663	2
Chapter 15 Legal Fees (US)	(525)	-	525	2
CCAA Legal Fees (Canada)	(501)	-	501	2
CCAA Monitor Fees	(190)	(240)	(50)	
Contractor Fees	(127)	(122)	5	
Advisors	(167)	(158)	8	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(20)	(22)	(2)	
Taxes	-	-	-	
Other	(22)	(167)	(145)	3
Total Disbursements	**(2,696)**	**(1,188)**	**1,508**	
Change in cash	**(907)**	**5,384**	**6,290**	
Closing cash, ex. Funds in Trusts	**-**	**6,310**	**6,310**	

1) Actual receipts from Intercompany Accounts Receivable were less than projected due to lower than anticipated disbursements which reduced the need to collect intercompany receivables from 10 Toronto Street Inc.

2) Actual disbursements for legal and restructuring costs were lower than projected. A portion of the difference represents a timing difference from the projection, which is expected to reverse in the near term.

3) Other disbursements includes approximately $148k relating to a foreign exchange adjustment on cash in the bank as a result of the appreciation of Canadian Dollar relative to the US dollar during the week.

APPENDIX C

Court File No. 07-CL-7120

DATE: September 14th, 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 "Second Communication") is to provide information to all stakeholders in accordance with the Hollinger Inc. CCAA Proceedings Settlement Term Sheet For Motions Returnable August 29, 2007, including:

   (a) The Applicants' weekly variance report for the week ended September 7, 2007, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the week ended September 7, 2007, attached as Schedule 2.

TERMS OF REFERENCE

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

4. In preparing this Second 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 Second Communication.

DISCUSSIONS AMOUNG THE PARTIES

6. The Parties and the Monitor conducted negotiations with the assistance of the Honourable Mr. Justice Morawetz on September 10 and 11, 2007. 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 August 31, 2007 Cash Flow Projection

C$ 000s	Projected Results for the Week Ended Friday 07-Sep	Actual Results for the Week Ended Friday 07-Sep	Variance	Notes
Opening Cash, ex. Funds in Trust	907	907	-	
Receipts				
Dividends	-	-	-	
Interest income	2	-	(2)	
Other	-	5,399	5,399	1
Intercompany Accounts Receivable	588	278	(310)	2
Total receipts	590	5,677	5,087	
Disbursements				
Payroll & Benefits	(42)	(19)	23	3
Directors Fees and Insurance	-	-	-	
Legal Fees (including retainers)	(506)	-	506	4
Chapter 15 Legal Fees (US)	(257)	-	257	4
CCAA Legal Fees (Canada)	(220)	-	220	4
CCAA Monitor Fees	(150)	(110)	40	4
Contractor Fees	(127)	(122)	5	
Advisors	(153)	-	153	4
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(20)	(10)	9	3
Taxes	-	-	-	
Other	(21)	(18)	3	
Total Disbursements	(1,496)	(279)	1,217	
Change in cash	(907)	5,398	6,304	
Closing cash, ex. Funds in Trusts	-	6,304	6,304	

1) Other receipts represents payment in full of the promissory note of US $4.2, issued by CFP in favour of Holcay Holdings Ltd., along with a US $1.0 million dividend payment from CFP. It is assumed that any cash held by Holcay Holdings is available for use by the Applicants, upon payment of any amounts owing by Holcay. This transaction was not included in the August 31, 2007 Court Filed projection due to concerns regarding the timing of the closing of the transaction when the projection was prepared.

2) Actual receipts from Intercompany were less than projected due to lower than anticipated disbursements which reduced the need to collect intercompany receivables from 10 Toronto Street Inc.

3) The Applicants did not reimburse certain related companies for building and employee costs during the period, which represent a timing difference. These amounts will be reimbursed in a subsequent period.

4) Actual disbursements for legal, advisor and restructuring costs were lower than projected. A portion of the difference represents a timing difference from the projection, which is expected to reverse in the near term.

Summary of Legal Accruals
As At September 7, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to September 7, 2007	Total Revised "Bubble" at September 7, 2007	Total Revised "Bubble" as of September 7, 2007 **(excluding pre filing amounts)**	Total Revised "Bubble" for August 31, 2007 Cash Flow Projection **(excluding pre filing amounts)**	Increase in "Bubble" **(excluding pre filing amounts)**
Legal fees total	703,606	841,562	1,545,168	231,541	1,776,709	1,073,103	1,012,207	60,895
CCAA Legal Fees	8,904	472,153	481,057	45,729	526,786	517,882	440,925	76,957
Ch 15 legal fees total	85,687	-	85,687	590,564	676,252	590,564	514,536	76,028
Overall Total	798,198	1,313,715	2,111,912	867,835	2,979,747	2,181,549	1,967,669	213,881
F/X	1.07							

Note that the Applicants did not make any payments in respect of legal fees during the week ended September 7, 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.

APPENDIX D

Court File No. 07-CL-7120

DATE:	September 20, 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 "Third Communication") is to provide information to all stakeholders in accordance with the Hollinger Inc. CCAA Proceedings Settlement Term Sheet For Motions Returnable August 29, 2007, including:

   (a) The Applicants' weekly variance report for the week ended September 14, 2007, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the week ended September 14, 2007, attached as Schedule 2.

TERMS OF REFERENCE

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

4. In preparing this Third 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 Third Communication.

DISCUSSIONS AMONG THE PARTIES

6. The Parties and the Monitor conducted negotiations with the assistance of the Honourable Mr. Justice Morawetz on September 10 and 11, 2007. The Parties did not reach an agreement. While the Monitor understands that certain discussions have taken place since the mediation, no agreements have been reached. The Monitor understands that on September 20, 2007 the Applicants raised with the other parties to the mediation the Applicants' desire to resume discussions with the aid of Justice Morawetz on Monday, September 24, 2007. At this point it is unclear if or when the mediation will resume.

Summary of Legal Accruals
As At September 14, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to September 14, 2007	Total Revised "Bubble" at September 14, 2007	Total Revised "Bubble" as of September 14, 2007 **(excluding pre filing amounts)**	Total Revised "Bubble" as of September 7, 2007 (excluding pre filing amounts)	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal fees total	720,625	453,537	1,174,162	225,355	1,399,517	678,891	1,073,103	(394,211)
CCAA Legal Fees	8,904	485,417	494,321	93,729	588,050	579,146	517,882	61,264
Ch 15 legal fees total	85,687	148,265	233,952	498,993	732,946	647,258	590,564	56,694
Overall Total	815,217	1,087,219	1,902,436	818,077	2,720,513	1,905,296	2,181,549	(276,253)
F/X	1.07							

Note that the Applicants did make approximately $439k of payments in respect of legal fees during the week ended September 14, 2007; therefore, the decrease in the bubble represents the legal fees incurred during the week less payments, subject to additional information that may be received by the Applicants from their counsel.

<u>Reconciliation for the week ended September 14, 2007</u>

Reverse Opening Balance (as of September 7, 2007)	(2,181,549)
Cash Distributions on account of legal fees for the week ended September 14, 2007	439,308
Add Closing Balance (as of September 14, 2007)	1,905,296
Approximate Legal Fees incurred during the week ended September 14, 2007	163,054

<u>Reconciliation for the week ended September 7, 2007</u>

Reverse Opening Balance (as of August 31, 2007)	(1,967,669)
Cash Distributions on account of legal fees for the week ended September 7, 2007	-
Add Closing Balance (as of September 7, 2007)	2,181,549
Approximate Legal Fees incurred during the week ended September 7, 2007	213,881

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the August 31, 2007 Cash Flow Projection

C$ 000s	Projected Results for the Week Ended Friday 14-Sep	Actual Results for the Week Ended Friday 14-Sep	Variance	Notes
Opening Cash, ex. Funds in Trust	-	6,304	6,304	
Receipts				
Dividends	-	-	-	
Interest income	-	-	-	
Other	-	-	-	
Intercompany Accounts Receivable	1,199	895	(304)	1
Total receipts	1,199	895	(304)	
Disbursements				
Payroll & Benefits	-	(21)	(21)	2
Directors Fees and Insurance	-	-	-	
Legal Fees (including retainers)	(597)	(439)	157	3
Chapter 15 Legal Fees (US)	(267)	-	267	3
CCAA Legal Fees (Canada)	(281)	-	281	3
CCAA Monitor Fees	(40)	(130)	(90)	4
Contractor Fees	-	-	-	
Advisors	(14)	(158)	(145)	5
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	-	(11)	(11)	2
Taxes	-	-	-	
Other	(1)	(149)	(148)	6
Total Disbursements	(1,199)	(909)	291	
Change in cash	-	(14)	(14)	
Closing cash, ex. Funds in Trusts	-	6,290	6,290	

1) Actual receipts from Intercompany Accounts Receivable were less than projected due to lower than anticipated disbursements which reduced the need to collect intercompany receivables from 10 Toronto Street Inc.

2) The Applicants reimbursed certain related companies for building and employee costs during the period, which represents the reversal of previous timing differences.

3) Actual disbursements for legal and restructuring costs were lower than projected. A portion of the difference represents a timing difference from the projection, which is expected to reverse in the near term.

4) Actual disbursements for Monitor's Fees were for the two weeks ended August 31, 2007.

5) Actual disbursements for advisors were higher than expected due to the reversal of previously reported timing differences and also to disbursements projected to be paid in future periods.

6) Other disbursements includes approximately $148k relating to a foreign exchange adjustment on cash in the bank as a result of the appreciation of Canadian Dollar relative to the US dollar during the week.