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 LIMTED

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

SEVENTH REPORT OF THE MONITOR
May 14, 2008

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

    a) Status of the Applicants' settlement discussions with stakeholders;

b) Applicants' settlement agreement with Sun-Times Media Group Inc., ("STMG") and Davidson Kempner Capital Management LLC ("DK") ("Multi-Party Settlement);

c) Notices of Motion originally returnable May 14, 2008;

d) Applicants' settlement with the Securities and Exchange Commission;

e) Status of foreign proceedings;

f) Applicants' actual cash receipts and disbursements;

g) Status of certain Non-Applicants' asset divestitures and activities; and

h) Monitor's analysis 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.

OVERVIEW

5. The Applicants' assets consist of three major components:

   a) Cash held by the Applicants and Non-Applicants;

   b) STMG super-voting shares held by Hollinger and 432252 Canada Inc. ("432"); and

   c) Litigation assets (the "Litigation Assets").

6. The chart and notes attached at Appendix A provide a partial update to the Waterfall Summary that was included in the Third Report. It contains updated asset and intercompany account information but excludes any estimates of third-party claims that were included in the Third Report because there has not yet been a claims process to determine such third party claims with any degree of certainty. The Applicants are seeking approval to initiate a claims process to determine claims against the Applicant and non-Applicant companies. In the meantime, the Monitor is of the view that the Waterfall Summary provided in the Third Report continues to provide a reasonable indication of the nature and approximate quantum of the known third-party claims that may be filed in the claims process, without prejudice to any party's rights in the claims process.

7. The following table summarizes the estimated net realizable value of the non-contingent assets of Hollinger and 432, based on book value as at March 31, 2008, including management's current assessment of the amounts to be realized by each Applicant from their respective assets:

Hollinger

$ Cdn millions	Book Value	Estimated Liquidation Value	Significant Assumptions
Cash on Hand	1.3	1.3	
Restricted Cash	0.5	-	Subject to irrevocable trust
Investment in STMG	1.6	n/a	
166,979 A Shares	n/a	0.2	Assume $1 per share
2,000,000 B Shares	n/a	n/a	Collateral for Noteholders
Due from Sugra	349.1	5.9	Estimated Recovery
Due from Domgroup (Net)	13.1	11.9	Estimated Recovery
Due from 10 Toronto	4.8	4.8	Estimated Recovery
Due from 432	8.0	-	Net against due to 432
Due from Ravelston & Other Related	104.7	-	Assume no liquidation value
Total Assets	**483.1**	**24.1**	

432.

$ Cdn millions	Book Value	Estimated Liquidation Value	Significant Assumptions
Cash on Hand	0.2	0.2	
Investment in STMG	10.0	n/a	
615,944 A Shares	n/a	0.6	Assume $1 per share
12,990,000 B Shares	n/a	n/a	Collateral for Noteholders
Due from Hollinger	350.5	Unknown	
Due from Domgroup	9.8	8.9	Estimated Recovery
Total Assets	**370.5**	**9.7**	

Note: Unaudited. See Terms of Reference (paragraph 3 above).

8. The Applicants do not conduct any active business. They are exclusively engaged in winding-up their affairs and realizing on their assets with a view to distributing all net proceeds to their stakeholders in accordance with their legal entitlements. Regardless of the form of future legal proceedings in which the Applicants are wound up, the principal activities that will have to be undertaken will involve:

   a) The legal wind-up of the Applicants' affiliates 10 Toronto and Domgroup, to permit the recovery of the amounts owed by these affiliates to the Applicants;

   b) The realization or distribution of the Applicants' shareholdings in STMG and resolution of the rights and claims of the Applicants' secured noteholders to these shares;

   c) The determination of claims against the Applicants pursuant to a formal claims process;

   d) Attendance to regulatory, legal and administrative matters, including compliance with securities laws and tax reporting obligations;

   e) Investigation, pursuit and realization, as appropriate, of the Applicants' Litigation Assets; and

   f) Distribution of the Applicants' assets, as realized, in accordance with a lawful scheme of distribution.

9. The Monitor notes that all of the parties who have brought motions concerning the future of the Applicants and these CCAA proceedings generally agree that these are the tasks to be completed.

10. The Applicants, DK and STMG have agreed in the Multi-Party Settlement to an approach to completing these tasks which the Applicants believe respects the interests of all creditors but also provides an optimal platform from which to maximize the recoveries on the Litigation Assets.

STATUS OF THE APPLICANTS' SETTLEMENT DISCUSSIONS WITH STAKEHOLDERS

11. Since the Applicants initiated these CCAA proceedings on August 1, 2007, there have been significant disagreements among the major creditors, shareholders and the Applicants concerning almost every aspect of the Applicants' operations, management and restructuring. In the hope of resolving the impasse, the Applicants and certain of their key stakeholders, being DK, the Indenture Trustees and STMG (the "Stakeholders") agreed to a standstill for a period of time to allow the parties to focus on discussions and negotiations directed towards whether a global settlement of many outstanding issues among the Stakeholders could be achieved. The terms of this standstill were set out in a Settlement Term Sheet and annexed as Appendix A to the Order of this Honourable Court of August 31, 2007 (the "August 31 Order"). A copy of the August 31 Order, including the Settlement Term Sheet, is attached as Appendix B.

12. The August 31 Order provided that the discussions among the parties, both informally and at the mediation sessions, were to be confidential and without prejudice. Accordingly, while the Monitor observed and assisted the parties in their discussions, it cannot divulge details of the negotiations.

13. As discussed in the Fifth and Sixth Reports, the Honourable Justice Morawetz provided valuable assistance to the negotiating parties for several months, which ultimately led to a framework being reached in early November 2007 to settle the issues and move forward with a plan of arrangement to be presented to all stakeholders for consideration. The negotiating parties engaged in discussions to convert this framework into a formal settlement agreement to be presented to this Honourable Court for approval. These negotiations ended in February 2008 without a settlement being reached.

14. On February 28, 2008, the Applicants, DK and STMG each filed notices of motion seeking materially conflicting relief with respect to the future of these CCAA proceedings.

15. On May 14, 2008, the Applicants notified the Monitor that they had reached a three party settlement among the Applicants, DK and STMG. This settlement is described in greater detail below.

THE APPLICANTS' SETTLEMENT AGREEMENT WITH STMG AND DK

16. The February 28, 2008 Notice of Motion filed by the Applicants sought an order authorizing them to proceed with certain initiatives in pursuit of their restructuring, including, but not limited to, the appointment of a Chief Restructuring Officer and a Litigation Trustee, the elimination of the role of the Chief Executive Officer, a reduction in the size of the Hollinger board of directors from five to three directors and the establishment of a claims process. This motion was brought without the support of any of the Applicants' major creditors. It was met with motions by two major creditors, DK and STMG, each seeking to terminate the CCAA proceedings and put the Applicants into bankruptcy.

17. On March 25, 2008, the Applicants announced that they had entered into a settlement agreement (the "STMG Settlement Agreement") with STMG. A copy of the Applicants' press release announcing this agreement is attached as Appendix C.

18. The STMG Settlement Agreement provided for the resolution of all outstanding matters between the Applicants and STMG and, if approved, would have formed the basis for a plan of arrangement to be prepared by the Applicants within the CCAA proceedings. In order to become effective, the STMG Settlement Agreement required Court approval. The Applicants served a Notice of Motion dated April 10, 2008 seeking, among other things, this Honourable Court's approval of the STMG Settlement Agreement and further relief in connection with their strategy to realize on their assets and restructure their affairs.

19. On May 14, 2008 the parties informed the Monitor that a new three party term sheet had been agreed to. The three party settlement embodied in the Multi-Party Settlement Term Sheet (the "Multi-Party Settlement") incorporates and amends the STMG Settlement

Agreement and provides an agreed upon structure for the pursuit and realization of the Litigation Assets in these CCAA proceedings. The redacted Multi-Party Settlement is attached as Appendix D.

20. The Multi-Party Settlement includes the following significant terms:

a) Hollinger and 432 will forthwith take the steps necessary to convert their existing Class B shares into an equal number of Class A shares, plus a 10% premium in additional shares;

b) Distributions will be determined on a non-consolidated basis, subject to a reasonable reserve for (i) administration costs and reasonable costs, fees and disbursements of DK with respect to DK's post-Court approval role; (ii) disputed claims; and (iii) the following payments to be made in priority to distributions to unsecured creditors:

    1. A transaction fee to DK of $1.5 million;
    2. Reasonable legal fees and disbursements of the Indenture Trustees up to and including Court approval; and
    3. Reasonable legal fees and disbursements of DK up to and including Court approval.

c) Priority payments for items 1 through 3 of paragraph 20(b) above are subject to a total cap of $4.5 million;

d) Distributions will give effect to intercompany claims but will only include approximately $171.3 million of the net claim of 432 against Hollinger, which represents 50% of the total net claim;

e) The Applicants will acknowledge claims owing by each of 432 and Hollinger to the Indenture Trustees in the full amount of principal, interest and costs, estimated to be approximately $103.2 million, as of December 31, 2007;

f) The Noteholders' claims will continue to accrue interest at the contractual interest rate until paid in full and will only be reduced by distributions from the

Applicants and actual amounts received from the disposition of the converted Class A shares;

g) The six directors appointed by Hollinger to the Board of STMG will submit their resignations from the board of STMG and Hollinger will reimburse STMG for all amounts paid in respect of legal fees incurred by the independent directors, except for US$75,000;

h) Hollinger will pay to STMG the reasonable fees and costs, including legal fees, of STMG incurred in connection with the CCAA proceedings of the Applicants, from August 1, 2007 up to and including the date of Court approval. However, the total amounts payable to STMG by Hollinger shall be subject to a cap of US$2 million in the aggregate;

i) STMG and Hollinger will cooperate to maximize the recoverable portion of the class action insurance settlement proceeds payable to them and such proceeds shall be allocated so that STMG receives 85% of such proceeds and Hollinger receives 15% of such proceeds;

j) STMG and Hollinger will agree to divide their respective recoveries from the insolvency proceeding of Ravelston equally as between them;

k) The following claims of STMG shall be allowed as unsecured claims against the Applicants (the "STMG Allowed Claims"), subject to confirmation of the calculations of the quantum of such claims by the Monitor, in the amount of:

   1. US$40,545,974 in respect of the promissory note executed by 432;
   2. US$28,663,588 for contribution and indemnity; and
   3. $1,281,941 for the aircraft lease settlement.

l) Other than the STMG Allowed Claims, all other claims of STMG and its subsidiaries against the Applicants or any of their other subsidiaries shall be released upon the issuance of an order by the Illinois Court confirming that STMG is entitled to pursue its claims against the defendants in the Illinois Action other than Hollinger (the Applicants have advised that this order has been obtained);

m) Total recoveries by STMG shall be capped at a maximum of US$15 million (the "STMG Cap") in addition to their reimbursement of their legal fees and costs as noted above. After receipt of the STMG Cap, the balance of the STMG Allowed Claims will be assigned to the Applicants for the benefit of the Applicants' other unsecured creditors;

n) Upon STMG receiving distributions in the aggregate amount of $7.5 million in respect of the STMG Allowed Claims (after giving effect to any valid and effective subordination regarding the 432 promissory note, if any), 50% of all distributions thereafter payable to STMG in respect of the STMG Allowed Claims shall be assigned to the Applicants;

o) William Aziz, CA, or an entity controlled by him, shall be appointed as the chief restructuring officer (the "CRO") of the Applicants and an officer of the Court in consideration of a monthly fee of $65,000, plus GST as applicable and reimbursement of reasonable expenses. Such engagement shall be on a month-to-month basis and may be terminated upon 30 days' prior written notice;

p) The board of directors of Hollinger shall be reduced as soon as possible to a maximum of three persons;

q) Payment of all monthly work fees payable under Hollinger's consulting agreement with Voorheis or any entity controlled by him will be suspended and Voorheis shall resign as an officer and director of the Applicants or any subsidiary effective as of the date of Court approval;

r) All monthly work fees payable under Hollinger's financial services agreement with BMO Nesbitt Burns Inc. ceased effective as of February 28, 2008;

s) The Honourable John D. Ground, Q.C., shall be appointed as an officer of the Court to perform the role of litigation trustee (the "Litigation Trustee") over the Litigation Assets;

t) An Advisory Committee comprised of (i) one DK nominee, (ii) one Applicant representative other than Wesley Voorheis and (iii) the Litigation Trustee shall be established to provide advice and direction to the Litigation Trustee;

u) Initial funding and reserve funding will be provided by the Applicants for pursuit of the Litigation Assets;

v) A standard CCAA claims process is to be implemented immediately for all claims against the Applicants, except claims by their subsidiaries (other than STMG and its subsidiaries). In addition, a subsequent claims process is to be implemented in respect of certain non-Applicant subsidiaries (10 Toronto and Domgroup).

w) An amount payable to Wesley Voorheis is to be paid out of net proceeds distributed from the Litigation Assets; and

x) The Multi-Party Settlement contains provisions and conditions regarding any Plan or Plans that may be put forward by the Applicants.

NOTICES OF MOTION RETURNABLE MAY 14, 2008

(i) DAVIDSON KEMPNER

21. On February 28, 2008 DK filed a Notice of Motion seeking, among other things, a termination of the CCAA proceedings, an order declaring the Applicants bankrupt and the appointment of a trustee in bankruptcy.

(ii) STMG

22. On February 28, 2008 STMG filed a notice of motion seeking similar relief to that sought by DK, most importantly the termination of the CCAA proceedings and the appointment of a trustee in bankruptcy of the Applicants.

23. Following the announcement of the STMG Settlement, STMG filed a Fresh as Amended Notice of Motion dated April 18, 2008 seeking approval of the STMG Settlement Agreement.

(iii) APPLICANTS

24. On April 10, 2008 the Applicants filed a notice of motion (the "Applicants' Motion"), amending earlier relief sought, and seeking an Order approving the terms of the STMG Settlement Agreement and related relief.

25. On May 14, 2008, the Applicants filed an amended and restated Notice of Motion seeking approval of this Honourable Court of:

a) The Multi-Party Settlement and implementation thereof;

b) The sealing of Schedules "B" and "C" of the Multi-Party Settlement;

c) Enhanced roles for the Monitor and CRO and receivership-type protections for the Monitor and the CRO so as to eliminate the need for additional insurance;

d) The purchase of limited run-off insurance for the officers and directors of Applicants in lieu of renewing the existing policy;

e) The decisions of the board of directors of Hollinger to authorize all of the foregoing;

f) The establishment of a claims process for the Applicants including the appointment of a Claims Officer; and

g) Related relief as set out therein

Monitor's Observations

26. If the Multi-Party Settlement is not approved by this Honourable Court, the known potential claims of STMG against Inc. other than those included in the Multi-Party Settlement include a contingent and unliquidated damage claim of $541.9 million (including pre- judgement interest) filed with the United States District Court for the Northern District of Illinois Eastern Division as amended. In addition, the claims included in the STMG Settlement Agreement may increase in size and there may be other unknown claims between the parties.

27. The resolution of these complex claims between Hollinger and STMG through litigation will result in significant cost, delay and uncertainty as to the outcome for the Applicants. The proposed Multi-Party Settlement resolves these claims completely at approximately $70 million, subject to review by the Monitor. Furthermore, STMG's maximum recovery from the Applicants in respect of these claims is capped at $15 million; after STMG has received a total of $7.5 million of these recoveries, it agrees to assign 50% of any further recoveries (up to the $15 million total cap) to the Applicants for the benefit of their other creditors.

28. Under the Multi-Party Settlement, STMG and Hollinger will cooperate to maximize the recoverable portion of the class action insurance settlement proceeds payable to them and such proceeds shall be allocated so that STMG receives 85% of such proceeds and Hollinger receives 15% of such proceeds.

29. This relative sharing of the insurance proceeds is viewed by the Monitor as reasonable due to the following factors:

    a) It avoids potentially lengthy and costly mediation between STMG and Hollinger that may be necessary to resolve the allocation of the insurance proceeds between them;

    b) STMG faced a greater number of proceedings involving covered or potentially covered claims under the terms of the policies than did the Applicants;

    c) STMG was involved in a greater number of regulatory proceedings than the Applicants, including SEC proceedings;

    d) STMG was more active in the defence of the U.S. securities class action proceedings than the Applicants; and

    e) STMG had a higher proportion of directors and officers with indemnity claims made against it in relation to covered or potentially covered claims.

30. The Multi-Party Settlement authorizes the conversion of the existing Class B shares of STMG held by Hollinger and 432 into an equal number of Class A shares and the issuance of a further 10% or 1,499,000 Class A shares.

31. This 1.1:1 share conversion is a negotiated amount which avoids the automatic conversion of the Class B shares to Class A shares on a 1:1 basis in the event of the occurrence of certain enumerated acts, including failure to achieve a three party settlement or bankruptcy. The additional shares increase value of the collateral that has the benefit of reducing the value of the unsecured deficiency claimed by the Noteholders.

32. The Multi-Party Settlement provides a framework, oversight and transparency for the Applicants and their key stakeholders to pursue the Litigation Assets for the benefit of all creditors. The proposed Litigation Trustee is a respected and experienced former Justice of this Honourable Court.

33. Pursuit of the Litigation Assets may require substantial funding to achieve a successful result. The Multi-Party Settlement provides initial funding and a reserve for the pursuit of the Litigation Assets. The reserve may be accessed at the request of the Litigation Trustee subject to the approval of the Litigation Advisory Committee (and a certificate by the Litigation Trustee to the Applicants and the Monitor regarding such funding). In the Monitor's view this provides appropriate funding for the pursuit of the assets on behalf of the stakeholders, while respecting the use of cash available for distribution to the Applicants' stakeholders.

34. The Applicants contend that the approach they are seeking to adopt, including approval of the Multi-Party Settlement, is akin to bankruptcy in terms of objectives, activities and cost but also provides additional flexibility to enable them to maximize realizations, especially on the Litigation Assets, and minimize costs and claims for the benefit of their creditors.

35. The Monitor notes that the Multi-Party Settlement includes several provisions that are inconsistent with bankruptcy proceedings and scheme of distribution:

a) Recognition of 50% of the net payable from Hollinger to 432 of approximately \$342.5 million. In bankruptcy, the entire claim may be subject to a significant and costly dispute between the Hollinger and 432 estates. The Noteholders may have a structural priority as a result of the 432 intercompany receivable from Hollinger due to the creditor profile and their significant interest at 432, while the creditors of Hollinger including STMG and others may challenge the validity of the payable and try to retain the value at Hollinger. The Multi-Party Settlement recognizes the risk to all parties and provides and reflects a commercially reasonable settlement within a range of possible outcomes;

b) The Multi-Party Settlement contains several payments to the Indenture Trustees, DK and STMG that are to be made in priority to any distribution to unsecured creditors. While these would not be payable in bankruptcy, the Applicants, DK and STMG have developed an agreement that resolves (i) the major issues that were the source of heated litigation thereby eliminating significant uncertainty, potential cost and delays relating to the pursuit of the Litigation Assets; (ii) the significant claims between the parties; and (iii) the issues surrounding the Applicants' shareholdings in STMG. As a result, these payments allow the Applicants and all their stakeholders to move these CCAA proceedings forward. The costs of the priority payments must be weighed against these material benefits.

36. The Applicants raise in their amended and restated Notice of Motion their intention to purchase run-off insurance for their directors and officers at a cost of $0.8 million plus taxes, as compared to the annual premium for ongoing insurance coverage of approximately $1.6 million. The purchase of this run-off coverage is requested by the current officers and directors, all of whom have agreed to step down as part of the Applicants' proposed program, thereby potentially exposing themselves to uninsured personal claims if this coverage is not acquired.

37. The Monitor understands that the Applicants have made best efforts to find the most cost-effective run-off insurance policy and, given the litigious environment, is of the view that the purchase of the requested run-off coverage represents the most reasonable and least costly option available to facilitate the wind-up of the Applicants' board of directors and corporate cost structure.

THE APPLICANTS' SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION

38. On March 25, 2008 the Applicants announced that the U.S. Securities and Exchange Commission (the "SEC") accepted an Offer of Settlement and a Consent submitted by Hollinger relating to proceedings initiated by the SEC on November 15, 2004 in the Illinois District Court against Conrad Black, David Radler and Hollinger. Hollinger has consented to the entry of Final Judgment against it, without admitting or denying the facts contained in the SEC's complaint. The Final Judgment will provide, among other things, for the disgorgement of approximately US$21.3 million (representing US$16.6 in alleged non-competition payments received by Hollinger plus interest thereon), against which will be credited the same amount already paid to STMG in satisfaction of the Delaware Court of Chancery judgment against Hollinger and Conrad Black in Hollinger International Inc. (now STMG) v. Black, et al. As a result, the SEC settlement does not involve the payment of any money from the Applicants' estate to any party.

39. In January of 2008, the Applicants brought the terms of the proposed SEC settlement to the attention of the Monitor. As those terms were at that time not a matter of public record, the Monitor considered the terms of the settlement and came to the conclusion that it was in the best interests of the Applicants to enter into the settlement which was the best achievable under the circumstances. The Monitor advised this Honourable Court of its conclusions and that it would consent to the lifting of the stay imposed by the Initial Order in order to permit the settlement to proceed. Such a step was approved by this Honourable Court on January 30, 2008. Once the settlement was announced, the letter signifying this Honourable Court's approval of the conclusion of the Monitor was filed in the court file. This Honourable Court's letter of January 30, 2008 agreeing with the conclusion of the Monitor is attached as Appendix E.

STATUS OF FOREIGN PROCEEDINGS

40. As previously reported, 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.

41. 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.

42. 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 30 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 provided 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.

43. The Monitor has participated through U.S. counsel in the motions and teleconferences in the U.S. proceedings since August 28, 2007. The Standstill continues under subsequent orders of this Court.

THE APPLICANTS' ACTUAL CASH RECEIPTS AND DISBURSEMENTS

44. Pursuant to the September 26 Order, the Monitor has been providing communications to the Service List setting out the Applicants' actual cash receipts and disbursements and an analysis of the variances against the Court filed projections. The Monitor's Thirteenth through Eighteenth Communications covering the period ended April 11, 2008 are attached as Appendix F.

45. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total intercompany repayments from 10 Toronto, from the date of filing to May 2, 2008, are $4.8 million.

46. In response to information requests received from certain stakeholders, the Applicants prepared a detailed breakdown of their disbursements from August 1, 2007 to May 2, 2008, which is included as Appendix G to this Report.

47. As at May 2, 2008, the cash balances of each of the Applicants and non-Applicants (with any cash) were as follows:

	(Millions)
Applicants	$0.6
Holcay	$0.0
Domgroup	$31.3
10 Toronto	$7.3

STATUS OF CERTAIN NON-APPLICANTS' ASSET DIVESTITURES AND ACTIVITIES

Holcay

48. As previously reported in the Fourth Report, during the first week of September 2007, Holcay received payment in full of the promissory note of US $4.2 million, issued by CFP in favour of Holcay, along with a US $1.0 million dividend payment from CFP.

49. Holcay repaid, in full, its inter-company payable to Hollinger of $0.2 million and to Domgroup of $1.7 million, during the week ending October 5, 2007. Between October 5, 2007 and December 19, 2007, Holcay transferred approximately US $0.5 million to the Applicants to fund on-going operations.

50. On December 19, 2007 Holcay issued a US $3.4 million dividend to Hollinger that transferred substantially all the remaining Holcay funds to Hollinger. Since it was assumed in the cash flow projections that any cash held by Holcay was available for use by the Applicants, as Holcay had no known creditors other than Domgroup and Hollinger Inc., there was no cash impact on the Applicants' weekly projections as a result of the dividend.

10 Toronto

51. 10 Toronto held funds in escrow in the amount of $2.9 million. Those funds were a portion of the proceeds of the sale of the 10 Toronto Street property. A claim had been asserted by Morneau Sobeco, as administrator appointed by the Financial Services Commission of Ontario, against 10 Toronto over an alleged deficiency in respect of a defined benefit pension plan sponsored by The Ravelston Corporation Limited ("RCL") for various individuals, some of whom were or are employees of 10 Toronto and others who are former employees of RCL or other companies.

52. On October 1, 2007 the Honourable Justice Campbell issued an Order approving minutes of settlement reached between Morneau Sobeco and Hollinger. The sum of $1.4 million was then paid to the RCL pension plan. The remaining funds of approximately $1.6 million (including interest) were received by 10 Toronto on October 10, 2007.

53. 10 Toronto sold a portion of its artwork at auction for total net proceeds of approximately $0.6 million received in January and March 2008. 10 Toronto will attempt to sell most of the remaining pieces in auctions to be held during May or June 2008.

Domgroup

54. Domgroup held a vendor take-back mortgage receivable in the amount of $4.2 million relating to the sale of the property at 1050 The Queensway, Toronto in 2004. The proceeds from the vendor take-back are being paid to Domgroup in two instalments. Domgroup received $2.5 million in February 2008 and $1.7 million is to be received by May 31, 2008. These amounts include an additional $1.0 million closing bonus as a result of the number of condominium units sold.

55. Domgroup entered into a purchase and sale agreement to sell a property in Hamilton, Ontario at 230 Cannon Street for approximately $1.8 million net of commissions. The transaction closed during the month of February 2008.

56. Domgroup received repayment of an intercompany amount owing by Holcay of $1.7 million. Domgroup then repaid $1.7 million to Hollinger, representing a portion of its total intercompany payable due to Hollinger of approximately $23.6 million, during the week ending October 26, 2007.

MONITOR'S ANALYSIS AND RECOMMENDATIONS

57. Throughout these CCAA proceedings, the Applicants and their two largest stakeholders have engaged in rounds of often intense negotiations in pursuit of a commercial resolution of their disputes with the assistance of Mr. Justice Morawetz and the involvement of the Monitor.

58. During the same period, the initiatives aimed at conserving the Applicants' limited cash resources appear to have been successful in that the weekly legal costs have been significantly reduced.

59. All that remains of the Applicants' former businesses are several pools of cash, the Litigation Assets, accounts receivable from non-Applicant affiliates and shares in STMG.

60. The dispute between the Applicants and DK centred on the appropriate strategy, structure and personnel to implement the final stages of realization and distribution.

61. The Monitor has considered the nature of the tasks to be completed, their procedural implications and the expected resources and cost structure required under various alternative courses of action, including bankruptcy and under the Multi-Party Settlement. All of these alternatives require practicality, speed and efficiency. As it is contemplated that each would be conducted through formal supervised proceedings, the Monitor anticipates that the administrative costs and timing, all other things being equal, should be roughly similar under the alternatives.

62. If the Multi-Party Settlement is not approved then the STMG claims will have to be addressed as part of a claims process, which could result in additional costs and delays. The Monitor anticipates that a claims process carried out in these CCAA proceedings would involve a Claims Officer to the extent possible in order to minimize costs and delays associated with disputed claims. A claims process would be required under either bankruptcy or CCAA and the creditor information that will be obtained could be used by the Trustee or Monitor. Accordingly the Monitor recommends to this Honourable Court that the Applicants proceed with their claims process.

63. The Applicants, DK and STMG have developed a framework for resolving the major issues that were the source of heated litigation prior to the commencement of the temporary standstill. The Monitor understands that the Indenture Trustees will be reviewing the Multi-Party Settlement and advising of their position. The Applicants consider this framework to be in the best interests of all of their stakeholders as it will provide for partial recovery from the class action insurance settlement, eliminate significant uncertainty, potential cost and delays relating to the claims among the parties and resolve the issues surrounding the Applicants' shareholdings in STMG.

64. The Monitor is of the view that, the Applicants have acted in good faith and with due diligence to finalize the Multi-Party Settlement with a view to expediting and maximizing the recoveries to their creditors.

65. In the context of the foregoing, the Monitor recommends that this Honourable Court:

a) Approve the Multi-Party Settlement;

b) Approve the Applicants' cost reduction / asset enhancement initiatives as set out in paragraph 2 of their Amended Notice of Motion, including the purchase of limited run-off insurance for the directors and officers of the Applicants; and

c) Approve the Applicants' claims process including the appointment of the Claims Officer.

ALL OF WHICH IS RESPECTFULLY SUBMITTED BY:

ERNST & YOUNG INC.

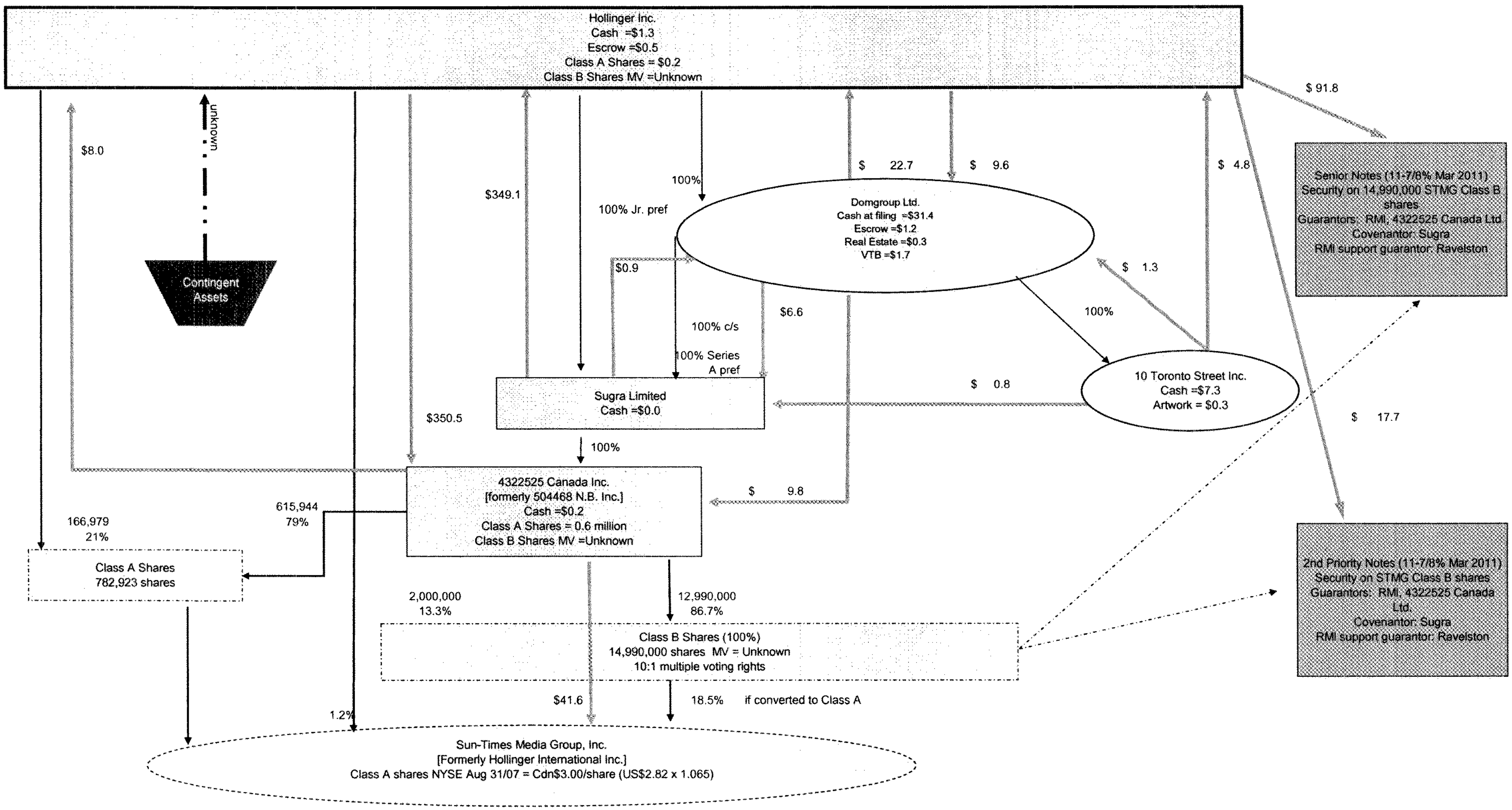
In its capacity as Court-appointed
Monitor of Hollinger Inc. and certain of its affiliates

Per:

Brian Denega
Senior Vice-President

Appendix A

Hollinger Inc.
Illustrative Waterfall Summary
As At March 31, 2008(except as indicated in the accompanying notes)
CDN $ millions



To be read in conjunction with the accompanying notes
Unaudited - Prepared based on information provided by the Applicants.

13/05/2008

Notes to Waterfall Summary

Overview

1. The "waterfall" analysis has been prepared by the Applicants with the assistance of the Monitor and includes information relating to:

    (a) the Applicants, consisting of:

    - Hollinger Inc. ("Hollinger");
    - Sugra Limited ("Sugra"); and
    - 4322525 Canada Inc. ("432 Canada"); as well as

    (b) certain non-Applicant subsidiaries (the "Subsidiaries") comprised of:

    - Domgroup Ltd. ("Domgroup"); and
    - 10 Toronto Street Inc. ("10 Toronto")

2. The Waterfall Summary is based on the unaudited and unconsolidated financial statements of the Applicants and the Subsidiaries, as well as certain supporting financial schedules, as at March 31, 2008. The Monitor has not performed an audit or other verification of such information.

3. All dollars amounts are expressed in Canadian dollars, except where otherwise noted, and are approximate.

4. The Waterfall Summary provides a summary of both the Applicants' and the Subsidiaries' significant assets (including the contingent assets referenced in Hollinger's consolidated December 31, 2007 quarterly financial statements) and inter-company amounts receivable and payable between the Applicants and the Subsidiaries as of March 31, 2008. Please refer to the Monitor's Third Report for illustrative information pertaining to additional upstream inter-company amounts between related parties and the Applicants and Subsidiaries.

5. The Applicants and the non-Applicant Subsidiaries have not initiated a claims process at this time. The Waterfall Summary does not reflect certain related party

claims (Black, Catalyst, & other related and associated parties) or any third party claims, other than the Noteholders. The Noteholders, who have filed motions with the Court, have been reflected in the Waterfall Summary to facilitate an understanding of the structural nature of their claim.

6. The Waterfall Summary presents the inter-company accounts receivable and inter-company accounts payable on a gross basis, before any management valuation allowance except as explicitly stated. For financial statement disclosure purposes, management makes an assessment of the collectibility of the inter-company and third party accounts receivable and in certain circumstances applies a valuation allowance. These valuation allowances as of June 30, 2007 are shown in the schedules included in Appendix B of the Monitor's Third Report.

7. These Notes to the Waterfall Summary indicate potential priority claims that have been or may be asserted by certain creditors. As no claims process has been initiated, neither the Applicants nor the Monitor have reviewed or assessed the quantum, ranking or validity of any claims or the validity and enforceability of any security, subordinations, trust or escrow agreements. Any references suggesting security or priority are those of the Applicants and have not been reviewed or verified.

8. In addition to the claims by and against the Applicants and Subsidiaries that have been quantified on some basis, there are numerous claims (both by and against the Applicants) and potential or threatened claims for which no estimated quantum is available at present.

9. The Applicants advise that they and the Subsidiaries remain subject to audit and assessment/re-assessment by the relevant tax authorities. The Applicants are developing a tax minimization strategy.

10. The Applicants believe that the resolution or determination of all of these contingent assets and liabilities will have a material impact on the recoveries to each stakeholder.

11. The Monitor notes that certain assets and liabilities reflected in the Waterfall Summary are denominated in U.S. dollars (although translated to and reflected in Canadian dollars on the Waterfall Summary) and therefore are subject to effects of foreign exchange volatility over time.

12. The following provides a summary of pertinent information and considerations for each of the Applicants and Subsidiaries with respect to the Waterfall Summary. The Waterfall Summary is to be read in conjunction with these Notes to Waterfall Summary.

<u>10 Toronto</u>

13. 10 Toronto is a wholly-owned subsidiary of Domgroup and employs the two employees and two consultants of the Hollinger group.

14. The assets of 10 Toronto include:

(a) cash of $7.3 million at March 31, 2008; and

(b) artwork with a book value of $0.3 million.

15. 10 Toronto has inter-company accounts payable due to the Applicant's and Subsidiaries of:

(a) $5.6 million due to the Applicants, of which approximately $4.8 million is due to Hollinger (with the balance of $0.8 million due to Sugra). 10 Toronto had previously agreed to pay up to $7.5 million of this inter-company balance to fund the Applicants' on-going cash requirements on an as-needed basis during the CCAA proceedings. Since the date of filing 10 Toronto has funded $4.8 million thereby reducing the $9.6 million balance outstanding as at June 30, 2007 to $4.8 million; and

(b) $1.9 million due to non-Applicants of which $1.3 million is due to Domgroup.

16. A wind-up of 10 Toronto would result in employee terminations and severance costs as well as wind-up costs and funding obligations for the current employees'

defined contribution pension and benefit plans. These costs and funding obligations have not been quantified and accordingly no provision has been accrued or reflected in the Waterfall Summary.

17. 10 Toronto is a non-Applicant. It has not undertaken a process to identify existing claims at this time.

<u>Domgroup</u>

18. The assets of Domgroup include:

(a) Cash of $31.4 million at March 31, 2008;

(b) Funds held in escrow in the amount of $1.2 million. The funds are held in escrow as security for funding certain defaults should they occur with respect to the unfunded group health and life insurance benefits plans for specified retirees of the former Dominion Stores. Funding obligations for group health benefit plans and pension top-up payments for specified retirees of the former Dominion Stores, estimated by actuarial valuation at approximately $8.4 million;

(c) Interest in real estate consisting of the following owned properties:

- Owned - 5403 48th Ave. Taber, Alberta;
- 3446-3476 4th Avenue, Port Alberni; and
- Small parcel of land in Hamilton.

The Applicants continue to lease and sub-lease certain properties.

(d) Inter-company accounts receivable from the Applicants and Subsidiaries totalling $10.9 million, including:

- $1.3 million due from 10 Toronto;
- $0.9 million due from Sugra. The Monitor notes that Domgroup owes Sugra $6.6 million; and
- $9.6 million due from Hollinger. The Monitor notes that Domgroup owes Hollinger $22.7 million, a portion of which may

be secured. Please refer to the 3rd Report of the Monitor for further details.

(e) Remaining portion of vendor take-back mortgage in the amount of $1.7 million relating to the sale of the property at 1050 The Queensway, Toronto in 2004. Domgroup anticipates receiving the remaining proceeds from the vendor take-back by the end of the May 2008.

(f) The Waterfall Summary does not reflect inter–company amounts owing to Domgroup's inactive subsidiaries, including Safeguard Drugs, Quintana Sales, 021173 NB (formerly Willet Foods) and Highway Markets. The Applicants have advised that these subsidiaries have minimal third party assets and liabilities.

19. Domgroup's inter-company liabilities due to the Applicants and Subsidiaries include:

(a) $22.7 million due to Hollinger, including principal of $4.8 million plus interest evidenced in the form of a promissory notes. The promissory notes indicate that they are secured by General Security Agreements ("GSAs") that may not have been perfected. Hollinger has not been able to locate signed GSAs. The Applicants advise that no security has been registered at this time. Domgroup also has a receivable of $9.6 million due from Hollinger;

(b) $6.6 million due to Sugra, including principal of $4.0 million plus interest evidenced in the form of a promissory note. The promissory note indicates that the note is secured by a GSA. Sugra has not been able to locate a signed GSA. The Applicants advise that no security has been registered at this time. Domgroup also has a receivable of $0.9 million due from Sugra; and

(c) $9.8 million due to 432 Canada, including principal of $6.0 million plus interest evidenced in the form of a promissory note. The promissory note indicates that the note is secured by a GSA. 432 Canada has not been able to locate a signed GSA. The Applicants advise that no security has been registered at this time.

20. Domgroup is a non-Applicant. It has not undertaken a process to identify all existing claims at this time.

Sugra

21. Sugra is a wholly owned subsidiary of Hollinger. Sugra's primary function was managing the operations of the Hollinger group's private aircraft and related personnel until this function was transferred to Hollinger Aviation in February 2002.

22. Sugra is a covenantor under the senior and second lien notes.

23. Sugra's assets include inter-company accounts receivable from the Applicants and Subsidiaries totalling $7.4 million, including:

(a) $0.8 million due from 10 Toronto; and

(b) $6.6 million due from Domgroup, including principal of $4.0 million plus interest evidenced in the form of a promissory note. The promissory note indicates that the note is secured by a GSA. Sugra has not been able to locate a signed GSA. The Applicants advise that no security has been registered at this time. Sugra also has a payable of $0.9 million due to Domgroup.

24. Sugra's liabilities consist primarily of $349.1 million due to Hollinger. The Monitor has not undertaken any review of the historical transactions that give rise to this inter-company payable.

25. No claims process has been implemented at this time with respect to Sugra.

432 Canada

26. 432 Canada is a wholly owned subsidiary of Sugra. 432 Canada is a guarantor under the senior and second lien notes and has granted security over certain of its assets, including its shares of STMG.

27. 432 Canada's assets include:

(a) 12.99 million Class B shares of STMG, which combined with the 2.0 million shares held by Hollinger comprise 100% of STMG's Class B shares. The Class B shares possess 10:1 multiple voting rights, compared to STMG's Class A shares, which provide the Applicants with voting control of STMG. These shares are not publicly traded. The fair market value of these shares is not determined for purposes of this Waterfall Summary;

(b) 615,944 Class A shares of STMG held in support of share exchange requests made by holders of the 1.7 million of Hollinger's Series II preference shares. The Class A shares are held pursuant to an escrow agreement. The Monitor has not evaluated and expresses no view as to the enforceability of the escrow agreement; and

(c) Inter-company accounts receivable from the Applicants and Subsidiaries totalling $360.3 million including:

- $350.5 million due from Hollinger. 432 Canada also has an $8.0 million account payable to Hollinger. The Monitor has not undertaken any review of the historical transactions that give rise to this inter-company account receivable; and

- $9.8 million due from Domgroup, which includes $6.0 million plus interest evidenced in the form of a demand promissory note. The promissory note indicates that the note is secured by a GSA. 432 Canada has not been able to locate a signed GSA. The Applicants advise that no security has been registered at this time.

28. 432 Canada's liabilities from the Applicants and Subsidiaries include:

(a) $41.6 million due to STMG consisting of principal of US$20.4 million plus interest evidenced in the form of a demand promissory note ("432 Note"). The 432 Note is subject to a subordination agreement with respect to the principal and interest owing pursuant to the notes issued under the Indentures. The 432 Note forms part of the subject matter of the on-going litigation between the Applicants and STMG. The Monitor expresses no view with respect to the scope of the subordination agreement or the ranking or priority of any of the claims.

29. No claims process has been implemented at this time with respect to 432 Canada.

<u>Hollinger</u>

30. Hollinger and the other Applicants do not conduct any direct business operations of their own. Their primary "hard" asset is their direct and indirect ownership interest in STMG consisting of :

(a) 2.0 million Class B shares of STMG, which combined with the 12.99 million shares held by 432 Canada comprise 100% of STMG's Class B shares. The STMG Class B shares possess 10:1 multiple voting rights, compared to the STMG Class A shares, which provide the Applicants with voting control of STMG. These shares are not publicly traded. The fair market value of these shares is not determined for purposes of this summary; and

(b) 166,979 Class A shares of STMG held in support of share exchange requests made by holders of the 1.7 million of Hollinger's Series II preference shares. The Class A shares are held pursuant to an escrow agreement. The Monitor has not evaluated and expresses no view with respect to the enforceability of the escrow agreement.

31. Hollinger's other principal assets are:

(a) Litigation claims asserted against a number of parties in five principal proceedings, in respect of which the aggregate amount of damages claimed exceeds $1.5 billion. The Monitor notes that the value of these assets may be material but is uncertain at present. The Monitor has not conducted any assessment of the litigation assets and, accordingly, has no view as to their value. The Applicants believe that these assets have significant value;

(b) a direct or indirect interest in certain active and inactive Canadian subsidiaries, including 10 Toronto and Domgroup;

(c) Cash held in escrow in the amount of $0.5 million. The escrowed funds are in support of Hollinger's indemnities in respect of one current and one former officer.. The Monitor has not evaluated and expresses no view as to the enforceability of the escrow arrangement;

(d) Inter-company accounts receivable from the Applicant's and Subsidiaries totalling $384.6 million including:

- $4.8 million due from 10 Toronto. 10 Toronto has agreed to pay up to $3.0 million of this inter-company balance to fund the Applicants' on-going cash requirements, on an as needed basis, during the CCAA proceedings (since the date of filing 10 Toronto has funded $4.8 million thereby reducing the $9.6 million balance outstanding as at June 30, 2007), subject to any claims that may be asserted against 10 Toronto;

- $349.1 million due from Sugra. The Monitor has not undertaken any review of the historical transactions that give rise to the inter-company account receivable;

- $22.7 million due from Domgroup, which includes $4.8 million plus interest evidenced in the form of a demand promissory note. The promissory note indicates that the note is secured by a GSA.

Hollinger has not been able to locate a signed GSA and the Applicants have advised the Monitor that no security has been registered at this time; and

- $8.0 million due from 432 Canada

(e) In addition to the Notes, Hollinger's inter-company accounts payable due to the Applicant's and Subsidiaries liabilities include:

- $350.5 million due to 432 Canada. The Monitor has not undertaken any review of the historical transactions that give rise to this inter-company account payable. Hollinger also has a receivable of $8.0 million due from 432 Canada; and

(f) $9.6 million due to Domgroup.

32. Hollinger executed a Limited Recourse Guarantee and a Security Agreement in favour of STMG on March 10, 2003 with respect to 432 Canada's obligations under the 432 Note. The Applicants advise that STMG's rights under the 432 Note and Security Agreement executed by Hollinger are limited to any recovery obtained under a guarantee executed by Ravelston in favour of Hollinger assigned and pledged by Hollinger to STMG.

33. No claims process has been implemented at this time with respect to Hollinger.

Appendix B

Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 31ST
	)	
MR. JUSTICE COLIN CAMPBELL	)	DAY OF AUGUST, 2007

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 OR COMPROMISE OR ARRANGEMENT WITH RESPECT TO **HOLLINGER INC., 4322525 CANADA INC. AND SUGRA LIMITED**

Applicants

ORDER

THIS MOTION, made by the Applicants for an Order extending the Stay Period defined in the Order of the Honourable Mr. Justice Morawetz dated August 1, 2007 (the "Initial Order") and come back motions brought by Sun-Times Media Group, Inc. ("STMG"), Davidson Kempner Capital Management LLC ("DK"), the Indenture Trustees, HSBC Bank USA, National Association and Delaware Trust Company, National Association (the "Trustees") for various relief, were heard this day at 330 University Avenue, Toronto, Ontario

ON READING the motion materials and the First Report of the Monitor and upon the consent of all parties appearing,

1. **THIS COURT ORDERS** that the time for service of this notice of motion is hereby abridged so that the motion is properly returnable today, and further, that any requirement for service of the Notice of Motion on any party not served is hereby dispensed with.

2 **THIS COURT ORDERS** that all capitalized terms not herein defined shall have the meanings set out in the Initial Order.

3. **THIS COURT ORDERS** that the motions of the Applicants, STMG, DK and the Trustees originally returnable on August 29, 2007 are hereby adjourned to September 26, 2007

4. **THIS COURT ORDERS** all rights and positions of all parties existing as of August 29, 2007, including come-back rights, are preserved to the hearing of the motions on September 26, 2007.

5. **THIS COURT ORDERS** that the Stay Period in the Initial Order with respect to the Applicants is hereby extended to and including September 28, 2007.

6 **THIS COURT ORDERS** that the Applicants, STMG, DK, the Trustees and all other parties interested in these proceedings shall comply with the provisions set out in the term sheets attached as Appendix "A" and "B" to this Order.

C. Irwin, Registrar

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO :

AUG 3 1 2007

PER/PAR:

APPENDIX "A"

Hollinger Inc. CCAA Proceedings Settlement Term Sheet
For motions returnable August 29, 2007

1. All settlement negotiations commencing August 29, 2007 and during the Interim Period (as defined below) involving all parties to these proceedings, court assisted or otherwise, are acknowledged to be without prejudice and confidential. The negotiations are not to be disclosed or relied upon in any proceeding(s).

2. The August 29, 2007 motions are adjourned to September 26, 2007. All rights and positions of all parties existing as of August 29, 2007, including come-back rights, are preserved to the hearing of the motions on September 26, 2007.

3. Stay extension on consent to September 28, 2007.

4. The Parties (being DK, Indenture Trustees, STMG, the Applicants) and the CCAA Monitor ("Monitor") to attempt good faith settlement negotiations including with the assistance of Morawetz J. on September 10-11, 2007. Dates and parties subject to confirmation by Morawetz J.

5. Standstill on litigation proceedings against the Applicants in Canada and the United States from August 29, 2007 to 5 p.m. Friday, September 21st, 2007 (the "Standstill Period"), unless standstill ended on consent of the Applicants. No steps to be taken in either the Canadian or U.S. insolvency proceedings before 5 p.m. on Friday, September 21st (The class action/insurance settlement; the partial lift stay with respect to OSC and/or SEC proceedings and advice and directions necessary with respect to the interpretation and implementation of this agreement are excluded from the standstill).

6. The consent of the Indenture Trustees to the Standstill Period shall not be used against it by any of the Parties. Judge Walsh has adjourned the August 30, 2007 status conference to September 4, 2007 at 4 pm. The scheduling of the adequate protection motion will be addressed orally with Judge Walsh on Tuesday, with counsel making submissions as to the time required following the expiry of the standstill for preparation, etc. Whatever period of time Judge Walsh determines to be reasonable for the hearing of the motion following the expiry of the Standstill Period will be accepted by all parties. The Applicants agree (and the Indenture Trustees accept) that the Applicants' counsel will not be preparing or incurring expenses during the Standstill Period to prepare for the motion.

7. During the period August 29, 2007-September 28, 2007 (the "Interim Period") subject to any further order of the court made on September 26, 2007:

    a. Monitor will deliver updated cash flows/disclosure of retainers/accrued and unbilled legal fees/pre-filing component by end of week of August 31st;

APPENDIX "A"

b. Monitor will deliver "waterfall" report, including Subsidiaries (as defined below), by September 7, 2007;

c Monitor to deliver weekly reporting on variances to August 31 cashflow;

d. Applicants to deliver and Monitor to confirm delivery of written instructions confirming oral instructions to litigation counsel to stand down (subject to necessary preservation steps/subject to (f) below);

e. No new retainers/mandates to litigation counsel without Monitor consent;

f. Applicants shall make no payments for work done after instructions to cease work unless approved by the Monitor;

g. Applicants to receive and deliver to Monitor weekly reporting from all counsel re: WIP/AR;

h. Applicants shall make no payment of legal fees incurred pre-filing (net of retainers) without court order; and

i. Applicants to make best efforts to maintain status quo with non-Applicant subsidiaries (10 Toronto/Domgroup/Holcay) ("Subsidiaries") including the following:

   i. No payments made by Subsidiaries out of the ordinary course;

   ii. Legal fees of Subsidiaries to be curtailed as much as possible/only in the ordinary course for necessary steps including any litigation defence (including in respect of the motion currently scheduled for September 26, 2007 subject to an adjournment to October 4, 2007 or thereafter, regarding a claim by the administrator of the pension plan regarding 10 Toronto Street Inc.);

   iii. No new encumbrances of Subsidiaries; and

   iv. Payments to Applicants from Subsidiaries to be consistent with August 31, 2007 cashflows.

APPENDIX "B"

Voting of Shares: During the Standstill Period, each of Hollinger Inc. and 4322525 Canada Inc. (collectively, "Hollinger") agrees not to exercise its right to vote (or act by written consent) with respect to any shares of common stock of Sun-Times Media Group, Inc. ("STMG") beneficially owned by Hollinger provided STMG has not taken any actions, directly or indirectly, inconsistent with the Stockholder Written Consent in Lieu of Meeting of Hollinger, dated July 31, 2007, or has not otherwise interfered with Hollinger's changes to the STMG Board, including, without limitation, by amending the bylaws of STMG. Nothing herein shall prejudice the rights of the secured noteholders and the indenture trustees under the security agreement and the trust indenture including, without limitation, any argument denying the rights of Hollinger to vote such shares.

Board of Directors: During the Standstill Period, each of Wesley Voorheis, William Aziz and Edward Hannah (the "Hollinger Directors") agree not to attend any meeting of the STMG Board of Directors or any committee thereof. Except for the Special Committee of the STMG Board (provided the mandate of the Special Committee is not expanded during the Standstill Period), STMG agrees to provide an agenda to the Hollinger Directors with advance notice of each such meeting reflecting the matters to be discussed or acted upon at such meeting. If such Hollinger Director, after receipt of a written opinion by independent legal counsel, has determined in good faith that attending the meeting of the STMG Board of Directors or any committee thereof and/or voting with respect to any matter is required by his fiduciary duties under applicable law to STMG stockholders other than solely Hollinger, then they shall each be entitled to attend such meeting and/or vote. During the Standstill Period, with the exception of the Special Committee (provided the mandate of the Special Committee is not expanded during the Standstill Period), STMG agrees that (1) no corporate action shall be taken at a meeting of the STMG Board of Directors other than with respect to the matters reflected on the agenda for such meeting and (2) any corporate actions purported to be taken at a meeting of the STMG Board of Directors other than matters reflected on the agenda for such meeting shall be void and of no effect.

Hollinger expressly acknowledges and agrees that it has requested the Hollinger Directors make such agreement in connection with the standstill arrangements forming part of this agreement to negotiate, and agrees to waive any claims it might otherwise have (as shareholder of STMG) against the Hollinger Directors for breach of fiduciary duties as a result of not attending or voting at any such meetings of STMG during the Standstill Period

STMG expressly acknowledges and agrees that it has requested the Hollinger Directors make such agreement in connection with the standstill arrangements forming part of this agreement to negotiate, and agrees to waive any claims it might otherwise have against the Hollinger Directors for breach of fiduciary duties as a result of not attending or voting at any such meetings of STMG during the Standstill Period

No Actions: During the Standstill Period STMG will not commence any action or take any proceedings against the Hollinger Directors, Brent Baird, Albrecht Bellstedt or Peter Dey.

APPENDIX "B"

Delay Not to be Held as Prejudicial: Forbearance from taking action by the Hollinger Directors during the Standstill Period will not be used or held against them in relation to any steps or action they may thereafter seek to take in respect of STMG, including without limitation, causing a strategic process to be implemented in relation to STMG.

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

Court File No. 07-CL-7

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

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Solicitors for the respondent
Ernst & Young Inc.

Appendix C

Appendix C

Hollinger Inc.

Hollinger Reaches Settlement with Sun-Times Media Group

TORONTO, Ontario, March 25, 2008 – Hollinger Inc. ("Hollinger") (TSX:HLG.C) (TSX:HLG.PR.B) announced today that it has entered into a settlement agreement (the "Settlement Agreement") with Sun-Times Media Group, Inc. ("Sun-Times"). Hollinger holds an approximate 70% voting interest and 19.7% equity interest in Sun-Times. In order to become effective, the Settlement Agreement must be approved by orders issued by the Ontario Superior Court of Justice (the "Ontario Court") and the United States Bankruptcy Court for the District of Delaware (the "Delaware Court") (collectively, "Court Approval").

Hollinger and its subsidiaries, Sugra Ltd. and 4322525 Canada Inc. (collectively, the "Applicants") are currently subject to proceedings in Canada under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and in the United States under Chapter 15 of the U.S. *Bankruptcy Code*. The Settlement Agreement forms part of an Amended Plan Term Sheet expected to be filed by the Applicants with the Ontario Court on March 26, 2008 (the "Term Sheet") for relief it is seeking in connection with its CCAA proceeding, which is anticipated to be heard by the Ontario Court on April 22-23, 2008. The Settlement Agreement provides for the resolution of all outstanding matters between the Applicants and Sun-Times and would form the basis for a plan of arrangement (the "CCAA Plan") that may be prepared by the Applicants within the CCAA proceedings. All creditors of the Applicants will have an opportunity to vote on any CCAA Plan that may be presented once the claims of creditors are received and determined in accordance with a claims process that the Applicants are requesting be commenced immediately upon Court Approval. If a CCAA Plan is prepared by the Applicants and approved by the Applicants' creditors, further approval of the Ontario Court and the Delaware Court will be sought and the CCAA Plan will be implemented as soon as possible following such approvals (the "Plan Implementation"). The settlement between Sun-Times and the Applicants is not conditional upon Plan Implementation.

The principal terms of the proposed Settlement Agreement as it relates to the settlement of outstanding issues between Sun-Times and the Applicants are described below.

Obtaining Value for Hollinger's Voting Control over Sun-Times

Hollinger owns, directly or indirectly, a total of 782,923 Class A Common Stock of Sun-Times ("Class A Shares") and 14,990,000 Class B Common Stock of Sun-Times ("Class B Shares"). Through the multiple-voting nature of the Class B Shares, the Applicants have voting control over Sun-Times. Upon Court Approval, the Ontario Court shall authorize and direct the Applicants, Sun-Times and any other party to take the steps necessary to convert all of these Class B Shares into Class A Shares on a one-for-one basis. Subject to the CCAA Plan being accepted by the requisite majorities of the Applicants' creditors, upon Plan Implementation, Sun-Times will issue and deliver to Hollinger an additional 1,499,000 Class A Shares, providing Hollinger with a total of 16,489,000 Class A Shares for the converted Class B Shares (a conversion rate of 1.1:1). If the CCAA Plan is rejected, Hollinger will receive only the 14,990,000 Class A Shares received upon conversion of its Class B Shares, representing a 1:1 conversion. Whether Hollinger receives 14,990,000 or 16,489,000 Class A Shares, its voting control over Sun-Times will be eliminated.

Resolution of All Claims and Litigation between Hollinger and Sun-Times

Hollinger will release Sun-Times, and Sun-Times will release Hollinger, from all debts, claims and litigation between the parties, save and except for specific amounts claimed by Sun-Times against Hollinger in respect of (i) a promissory note executed by 4322525 Canada Inc. in favour of Sun-Times in the amount of US$40.5 million, (ii) present and future claims by Sun-Times against Hollinger for contribution and indemnity which are now capped at US$28.6 million; and (iii) a claim in respect of an aircraft lease settlement previously entered into by the parties in the amount of CDN$1.3 million (collectively, the "Sun-Times Allowed Claims"). The Sun-Times Allowed Claims will be accepted by the Applicants as valid claims in the aggregate amount of approximately US$70 million. Only the Sun-Times Allowed Claims will be allowed to be filed as unsecured claims by Sun-Times against the Applicants in its court-supervised claims process and recoveries by Sun-Times from the Sun-Times Allowed Claims will be limited to US$15 million. However, under the Settlement Agreement, upon Sun-Times receiving US$7.5 million in distributions in respect of the Sun-Times Allowed Claims, 50% of all subsequent distributions shall be made available by Sun-Times to the Applicants to use, subject to further approval by the Ontario Court at that time, in the pursuit of certain litigation claims held by the Applicants. In addition, any distributions that would otherwise be received by Sun-Times in respect of the Sun-Times Allowed Claims in excess of US$15 million will be assigned to the Applicants for the benefit of the Applicants' other unsecured creditors.

Pursuant to a stipulation and agreement of settlement of U.S. and Canadian class actions against Sun-Times and Hollinger and an insurance settlement agreement dated June 27, 2007, up to US$24.5 million (plus interest, less fees and expenses) will be paid to Hollinger and/or Sun-Times and potential other claimants under their directors' and officers' insurance policies (the "Insurance Settlement Proceeds"). Under the Settlement Agreement, Hollinger and Sun-Times will cooperate to maximize the recoverable portion of the Insurance Settlement Proceeds payable to them and have agreed that Sun-Times will receive 80% and Hollinger will receive 20% of the amounts to be received by Hollinger and Sun-Times from such proceeds.

In respect of the amount payable to each of Hollinger and Sun-Times under the proceedings in Ontario against The Ravelston Corporation Limited and certain of its affiliates under the CCAA and *Bankruptcy and Insolvency Act* (Canada), the Settlement Agreement provides that each of Hollinger and Sun-Times will share equally in any proceeds or recoveries from that estate.

Corporate Governance of Sun-Times

Effective upon Court Approval, William Aziz, Brent Baird, Albrecht Bellstedt, Peter Dey, Edward Hannah and Wesley Voorheis will submit their resignations from the Sun-Times' board of directors.

Sun-Times has agreed to continue its current examination of all strategic alternatives for improving stockholder value, as announced by Sun-Times on February 4, 2008.

Sun-Times' board of directors has passed the necessary resolutions to ensure that the Settlement Agreement, the CCAA Plan and the implementation of the Settlement Agreement and the CCAA Plan will not cause any rights granted under Sun-Times' current rights plan to become exercisable, will not cause any person to become an "Acquiring Person" under such rights plan and will not otherwise trigger the application of such rights plan.

Litigation Assets

At the same time that Court Approval is sought, the Applicants will be seeking the appointment of retired Ontario justice, the Honourable John D. Ground, as an officer of the Ontario Court to perform the role of litigation trustee (the "Litigation Trustee") of all of the litigation assets of the Applicants (the "Litigation Assets") on such terms as may be agreed between the Litigation Trustee and the Applicants, and subject to approval by the Ontario Court. The Litigation Trustee will supervise, control and administer the Litigation Assets in consultation with the Applicants and subject to monitoring by Ernst & Young LLP, the Monitor and supervision by the Ontario Court.

Hollinger Corporate Governance

Pursuant to the Term Sheet and subject to Court Approval of the Settlement Agreement being obtained, Hollinger intends to reduce the size of its board of directors or, if possible, to eliminate it. Also upon Court Approval, G. Wesley Voorheis, Chief Executive Officer of Hollinger, will resign as an officer and director of the Applicants and any subsidiaries. The Litigation Trustee may retain the services of Mr. Voorheis or an entity controlled by him to provide assistance or advice in respect of the Litigation Assets. At that time William Aziz, Hollinger's Chief Financial Officer, or an entity controlled by him, will be appointed as Chief Restructuring Officer of Hollinger and an officer of the Ontario Court in consideration of a monthly salary of $65,000. Such engagement shall be on a month-to-month basis and may be terminated by Mr. Aziz upon 30 days' prior written notice.

Payment of a Portion of Sun-Times Costs and Fees

Under the Settlement Agreement, upon Court Approval, Hollinger will pay to Sun-Times the reasonable fees and costs of Sun-Times incurred in respect of the CCAA proceedings from August 1, 2007 up to and including the Court Approval date, up to a maximum of US$1 million.

CONTACT INFORMATION

Media contacts:

G. Wesley Voorheis
Chief Executive Officer
(416) 363-8721 ext. 237
wvoorheis@hollingerinc.com

William E. Aziz
Chief Financial Officer
(416) 363-8721 ext. 262
baziz@hollingerinc.com

Appendix D

SCHEDULE "A"

EXECUTION COPY

Multi-Party Settlement Term Sheet

The Applicants seek Court Approval, as described herein, of the following terms of agreement among the Applicants, Sun-Times Media Group, Inc. ("STMG") and Davidson Kempner Capital Management LLC and its affiliates listed in Schedule "A" hereto (collectively, "DK").

A. STMG

1. Upon Court Approval, the Court shall authorize and direct Hollinger, 432, STMG and any other necessary parties to forthwith take the steps necessary to convert Hollinger's and 432's existing Class B shares into an equal number of Class A shares (the "Conversion"), subject to and prior to the steps described in paragraphs 2 and 3 hereof.

2. If STMG's stockholders are required to approve (the "Stockholder Approval") the issuance of the Additional Shares (as defined below), then, upon Court Approval, the Court shall authorize Hollinger, and Hollinger shall approve the issuance of the Additional Shares, pursuant to a stockholder written consent (the "Consent").

3. If Stockholder Approval is required, as soon as possible after the Consent Effective Date (as defined below), Hollinger and STMG shall effect the Conversion pursuant to the Restated Certificate of Incorporation of STMG. The Consent shall be effective after all actions required by the Securities Exchange Act of 1934, as amended (the "1934 Act"), have been taken and the issuance of the Additional Shares is permitted by the 1934 Act (the "Consent Effective Date"). If no Stockholder Approval is required, Hollinger and STMG shall effect the Conversion pursuant to the Restated Certificate of Incorporation of STMG as soon as possible after Court Approval.

4. Forthwith after the later of (i) Court Approval and (ii), if Stockholder Approval is required, the Consent Effective Date, STMG will issue to Hollinger (or as it may direct) 1,499,000 additional Class A shares (the "Additional Shares"). The number of Additional Shares represents 10% of the number of Hollinger's and 432's existing Class B shares.

5. All transactions will comply with all applicable laws and regulations and rules of applicable stock exchanges.

6. Upon the later of (i) Court Approval and (ii) immediately after the next annual meeting scheduled for June 17, 2008, the six directors appointed by Hollinger to the Board of STMG (Wes Voorheis ("Voorheis"), William Aziz ("Aziz"), Edward Hannah, Peter Dey ("Dey"), Brent Baird ("Baird") and Albrecht Bellstedt ("Bellstedt")) will submit their resignations from the board of STMG. Upon submitting their resignations, each resigning director will receive: (a) a written confirmation from STMG that any existing STMG indemnity will remain in place and that such resigning director will be covered by the STMG directors and officers insurance policy in effect from time to time on the same

terms as may be applicable to any other current STMG directors; and (b) reimbursement by STMG of all reasonable legal fees incurred by the independent directors (Dey, Baird and Bellstedt) in respect of their tenure as directors of STMG. Upon payment of such fees by STMG, Hollinger will reimburse STMG for all amounts paid in respect of such legal fees, except for US$75,000.

7. Upon Court Approval, Hollinger will pay to STMG the reasonable fees and costs, including legal fees, of STMG incurred in connection with the CCAA proceedings of the Applicants, from August 1, 2007 up to and including the date of Court Approval. However, the total amounts payable to STMG by Hollinger under this paragraph shall be subject to a cap of US$2 million in the aggregate.

8. STMG and Hollinger will cooperate to maximize the recoverable portion of the class action insurance settlement proceeds payable to them and such proceeds shall be allocated so that STMG receives 85% of such proceeds, and Hollinger receives 15% of such proceeds.

9. Hollinger and STMG agree to divide their respective recoveries from the insolvency proceeding of Ravelston equally as between them.

10. The following claims of STMG shall be allowed as unsecured claims against the Applicants (the "STMG Allowed Claims") in the amounts indicated below, subject to confirmation of the calculations of the quantum of such claims by the Monitor:

    (a) a claim in respect of the promissory note executed by 4322525 Canada Inc. ("432") in the amount of US $40,545,974;

    (b) all claims for contribution and indemnity STMG has or may assert against Hollinger in the amount of US$28,663,588; and

    (c) a claim for the aircraft lease settlement in the amount of CDN$1,281,941.

11. Other than the STMG Allowed Claims, all other claims of STMG and its subsidiaries against the Applicants or any of their other subsidiaries, and all claims of the Applicants and their subsidiaries against STMG and its subsidiaries, shall be released upon Court Approval. The Applicants agree, in connection with their release of STMG, that they will not seek contribution, indemnification, reimbursement or any other form of claims over from Torys LLP or any of its predecessor or successor partnerships, F. David Radler or North American Newspapers Ltd. for any consideration paid or payable by any of the Applicants to STMG under this Term Sheet. For greater certainty, nothing contained in this paragraph shall limit or otherwise compromise in any manner, the Applicants' right to pursue or continue to pursue those named parties for any claims whatsoever, save and except only in respect of consideration paid or payable by the Applicants to STMG under this Term Sheet.

12. The total recoveries of STMG under the STMG Allowed Claims shall be capped at a maximum of US$15 million (the "STMG Cap"). After receipt of the STMG Cap, the

balance of the STMG Allowed Claims will be assigned to the Applicants for the benefit of the Applicants' other general unsecured creditors.

13. Upon STMG receiving distributions in the aggregate amount of US$7.5 million in respect of the STMG Allowed Claims (after giving effect to any valid and effective subordination regarding distributions under the 432 promissory note referred to in paragraph 10(a) above, if any), fifty percent (50%) of all distributions thereafter payable to STMG in respect of the STMG Allowed Claims shall be assigned to the Applicants.

14. Prior to any agreement in respect of the terms contained herein, STMG will ensure that nothing herein or in any plan of arrangement (the "Plan") of the Applicants, if any, giving effect to the terms hereof or in the implementation of any such Plan will:

(a) cause the Rights (as defined in the STMG rights plan) to become exercisable;

(b) cause any Person (as defined in the STMG rights plan) to become an Acquiring Person (as defined in the STMG rights plan); or

(c) trigger the application of the STMG rights plan.

15. STMG will continue with its independent examination of all strategic alternatives available to STMG.

16. Subject to the terms of any existing court orders or agreements pursuant to which the Applicants may be restricted, the Applicants will support the making of an order providing STMG with equal rights in respect of the Applicants' Mareva injunction against Conrad Black and Barbara Amiel Black. STMG shall be permitted to reserve its right as to whether to seek such an order.

B. DK

17. (a) Forthwith after Court Approval, the Class A shares of STMG resulting from the Conversion (the "Exchanged Shares"), plus the Additional Shares, being 10% of the number of Hollinger's and 432's existing Class B shares, when issued shall be voted by the indenture trustees for the benefit of and at the direction of noteholders in the manner contemplated by the indentures up to that number of shares that is equal to or less than 19.999% of the aggregate number of STMG Class A shares then outstanding rounded down to the nearest whole share. The indenture trustees, for the benefit of the noteholders, may thereupon exercise all voting or other rights associated with the Exchanged Shares and the Additional Shares when issued subject to the limitation referred to in the immediately preceding sentence and subject to the rights and at the direction of the noteholders in the manner contemplated by the indentures (provided that any shares of the Applicants shall not be voted other than in favour of the election of the directors described in Schedule "C" hereto and other resolutions proposed by STMG at the next annual meeting of shareholders scheduled to occur on or about June 17, 2008 and thereafter without restriction) and may dispose of or otherwise realize upon such shares in any commercially reasonable manner and subject to the applicable law and as directed by the noteholders in a manner contemplated by the indentures (provided that

any such disposition or realization shall not be considered part of any Plan for the purposes of paragraph 14 hereof). The Applicants shall provide proxies and do such acts and things as will facilitate such rights.

(b) The Conversion and the issuance of the Additional Shares shall be subject to a registration rights agreement, to be negotiated among DK, the Applicants and STMG, all acting reasonably (the "Registration Rights Agreement") forthwith after Court Approval. In all events, such Registration Rights Agreement shall include a provision with respect to payment of fees connected with any such registration, and shall include a provision permitting STMG to postpone the filing of a registration statement or its efforts to cause such registration statement to become effective if at the time the right to delay is exercised by STMG it shall determine in good faith that such offering would interfere with any acquisition, financing or other transaction that STMG is actively pursuing and is material to STMG or would involve initial or continuing disclosure obligations that would not be in the best interests of STMG.

(c) Upon being paid in full, all principal, interest and costs and other amounts, payable under the indentures), the indenture trustees will remit any remaining shares and any surplus proceeds to Hollinger and 432.

18. (a) Subject only to a reasonable reserve for (i) administrative costs (including any applicable legal fees, advisor fees and any other costs secured by the Administration Charge and also including a reserve to pay the reasonable costs, fees and expenses in respect of DK's post-Court Approval role as described herein) and (ii) disputed claims, such reserves to be determined by the CRO (as defined in the STMG Term Sheet) and the Monitor, both acting reasonably (and subject to their right to seek directions from the Court), and in consultation with DK and STMG, and subject to the segregated funds described below, all other cash and realizable proceeds of the Applicants (including the 15% share of the insurance settlement proceeds referred to herein) and the non-applicant subsidiaries of the Applicants (other than STMG and its subsidiaries) shall be distributed as efficiently as reasonably possible to the creditors who have proved claims in accordance with the claims process for each of the Applicants. Distributions will be determined and made on a non-consolidated basis giving effect to inter-company claims but including only 50% of a claim by 432 against Hollinger in the amount of approximately CDN$342.5 million and subject to the following payments in the priority specified below:

(i) firstly, to pay a transaction fee to DK in consideration of its agreement to the terms hereof of CDN$1.5 million;

(ii) secondly, to pay the reasonable legal fees and disbursements of the indenture trustees up to and including Court Approval; and

(iii) thirdly, to pay the reasonable legal fees and disbursements of DK up to and including Court Approval;

provided that the total amount available to fund items (i) through (iii) hereof shall not exceed CDN$4,500,000. The priority payments described herein will not affect the timing or amount of the payment to STMG described in paragraph 7 herein.

(b) The Applicants will acknowledge claims owing by 432 and also by Hollinger to the indenture trustees in the full amount of the principal, interest and costs owing under the two debentures dated March 10, 2003 and September 30, 2004, the amount of which is estimated to be US$103,235,062 as of December 31, 2007. These claims will continue to accrue interest (unless and until the Applicants become bankrupt) in accordance with the debentures at the contractual rate until paid in full. The claims will be reduced only by distributions received by the indenture trustees from the estates of the Applicants and by amounts actually received from or in respect of the Exchanged Shares and the Additional Shares.

(c) The Monitor and the CRO, with periodic reports as requested (acting reasonably) and at least monthly to DK and STMG, will work to resolve and determine all disputed claims as efficiently as reasonably possible. The Monitor and the CRO will seek the input of DK and STMG before allowing any claims against the Applicants (other than the claims of STMG and the indenture trustees acknowledged herein). The Monitor and the CRO, in consultation with DK and STMG, will provide estimates of the net recovery to creditors based on the "waterfall" analysis of the Monitor and the information now known regarding the claims of all creditors (including the claims of STMG allowed under the STMG Term Sheet), such estimate to be updated after the claims bar dates for the Applicants and for the non-applicant subsidiaries as described herein.

(d) STMG will acknowledge that its claim against 432 in respect of the 432 loan is subordinated to and in favour of the claims of the indenture trustee for and in respect of only the senior bonds against 432.

19. DK agrees to:

(a) withdraw its motion seeking the bankruptcies of the Applicants; and

(b) support Court approval in the Applicants' CCAA proceeding ("Court Approval") consisting of: (i) approval of this agreement and (ii) approval of the other relief sought by the Applicants in their Notice of Motion dated April 10, 2008 to the extent not inconsistent with the terms described herein.

C. General Conditions

20. A standard CCAA claims process shall be implemented immediately for all claims against the Applicants, except claims against the Applicants by their subsidiaries (other than STMG and its subsidiaries).

21. A subsequent claims process shall be implemented in respect of the non-Applicant subsidiaries of the Applicants to ensure that all creditors of those subsidiaries are identified prior to the asset consolidation herein contemplated.

22. The Applicants, in consultation with the Monitor, shall prepare a plan to accumulate at Hollinger, on a tax-effective basis, all assets of the non-Applicant subsidiaries of the Applicants (other than STMG and its subsidiaries) after payment of all claims of creditors of such subsidiaries.

23. The Applicants agree to work with the Monitor, in consultation with DK and STMG (and subject to the right of all parties to seek directions from the Court), to realize upon any assets of the Applicants and the non-applicant subsidiaries (other than the cash, the Exchanged Shares, the Additional Shares and the Litigation Assets described herein) with a view to distributing net proceeds thereof as efficiently as reasonably possible and to provide the necessary proxies. In particular, the Applicants will consider making such distributions pursuant to periodic Court orders in the CCAA proceedings as opposed to incurring the costs associated with formalizing and approving a Plan.

24. The form and content of any Plan, if necessary or advisable to implement the terms hereof, as it relates to STMG shall be satisfactory to STMG, acting reasonably and, as it relates to DK and the indenture trustees, shall be satisfactory to DK, acting reasonably.

25. All steps and transactions described herein that are to occur upon Court Approval are intended to take place simultaneously, and the parties shall co-operate with each other to coordinate the timing of the effectiveness of such steps and transactions.

26. The information contained in Schedules "B" and "C" hereof is confidential and commercially sensitive. The parties agree to seek an order sealing Schedule "B", pending further order of the Court, and Schedule "C", until such time as the information contained therein is disclosed by STMG, and agree that Schedules "B" and "C" will be redacted from any publicly disclosed materials.

D. Corporate Governance

27. Aziz, or an entity controlled by him, shall be appointed forthwith by the Court Approval order as the chief restructuring officer (the "CRO") of the Applicants and an officer of the Court in consideration of a monthly salary of $65,000, payable in advance, plus GST as applicable and reimbursement of reasonable expenses. Such engagement shall be on a month-to-month basis and may be terminated by Aziz upon 30 days' prior written notice.

28. The CRO shall be responsible, among other things, for developing and implementing the asset consolidation and repatriation plan and assisting the Monitor with the claims process.

29. The board of directors of Hollinger shall be reduced as soon as possible to a maximum of three persons.

30. Upon Court Approval, Hollinger and Voorheis will agree to suspend payment of all monthly work fees payable under Hollinger's consulting agreement with Voorheis or any entity controlled by him and Voorheis shall resign as an officer and director of the Applicants or any subsidiary.

31. In accordance with the engagement letter between Hollinger and BMO Nesbitt Burns Inc. ("BMO"), dated June 15, 2007, payment of all monthly work fees payable to BMO ceased in February 2008.

E. Litigation Assets

32. As part of the Court Approval order, justice John D. Ground shall be appointed as an officer of the Court to perform the role of litigation trustee (the "Litigation Trustee") of all claims and causes of action in favour of the Applicants (the "Litigation Assets") on such terms as may be agreed between the Applicants and justice Ground and subject to approval by the Court.

33. The Litigation Trustee will supervise, control and administer all aspects of the Litigation Assets of the Applicants, in consultation with the Applicants and subject to monitoring by the Monitor and supervision by the Court.

34. The Litigation Trustee may, if he considers it necessary or advisable, retain the services of Voorheis or an entity controlled by him on an hourly basis to provide assistance or advice in respect of the Litigation Assets.

35. The Litigation Trustee will be responsible for administering the Litigation Assets efficiently and in a cost-effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their creditors and other stakeholders and shall provide periodic reports to the Advisory Committee (as defined herein) and such other reports as may be requested by any member of the Advisory Committee, acting reasonably.

36. An advisory committee shall be established to provide advice and direction to the Litigation Trustee (the "Advisory Committee") comprised of one nominee of DK, one representative of the Applicants (other than Wes Voorheis) and the Litigation Trustee. The Litigation Trustee shall act in accordance with any majority decision of the Advisory Committee. For greater certainty, in the event of any disagreement as between the representative of DK and the representative of the Applicants, the Litigation Trustee shall have a deciding vote.

37. The nominee of DK to the Advisory Committee shall not receive any remuneration for so acting other than as specified below. The representative of the Applicants shall be a senior Canadian litigation counsel and shall be paid at his or her usual hourly rate by the Applicants. At the option of DK, its nominee may receive compensation on an equivalent basis to that of the representative of the Applicants. All members of the Advisory Committee shall be indemnified in respect of any claims made against them in such capacity excepting only claims arising from their wilful misconduct or gross negligence.

38. The Litigation Trustee will supervise and administer the Litigation Assets on a day-to-day basis, including giving direction to counsel. The Litigation Trustee will seek such direction from the Advisory Committee as he deems necessary or appropriate, but, in particular, the Litigation Trustee will seek direction from the Advisory Committee with respect to litigation strategy, financing (if any) for the Litigation Assets, whether to accept or make any settlement offer and the use of proceeds of any settlement.

39. The amount described in Schedule "B" hereto shall be segregated from the general cash assets of the Applicants and used exclusively for the purpose of funding the administration of the Litigation Assets. Payment of any amount payable to Mr. Wes Voorheis shall be made as contemplated in Schedule "B".

40. The Litigation Trustee will be responsible for administering the Litigation Assets efficiently and in a cost effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their creditors and other stakeholders.

41. Representatives of DK and Hollinger will hold all information received by them as members of the Advisory Committee in strict confidence pursuant to a form of confidentiality agreement acceptable to Hollinger, the Litigation Trustee and such representatives, all acting reasonably.

42. DK or Hollinger may apply to Court at any time to seek such changes to the provisions of the order appointing the Litigation Trustee as either of them may deem necessary or appropriate.

Subject to Court Approval being obtained to the terms hereof, pursuant to an Order in form and content satisfactory to the parties, for consideration received, each of the undersigned agrees to the above as evidenced by their respective signatures as of this 14th day of May, 2008. This agreement may be signed in counterparts and delivered by electronic transmission.

HOLLINGER INC., SUGRA LIMITED and

4322525 CANADA INC.

Per: ______________________

(I have authority to bind each of the corporations)

SUN TIMES MEDIA GROUP, INC.

Per: ______________________

Per: ______________________

(I/We have authority to bind the corporation)

DAVIDSON KEMPNER CAPITAL MANAGEMENT LLC on its own behalf and on behalf of the affiliates listed in Schedule "A" hereto (collectively, "DK")

Per: ______________________

Per: ______________________

(I/We have authority to bind the entities collectively referred to as "DK")

SUN TIMES MEDIA GROUP, INC.

Per: ___________________________

Per: ___________________________
(I/We have authority to bind the corporation)

DAVIDSON KEMPNER CAPITAL MANAGEMENT LLC on its own behalf and on behalf of the affiliates listed in Schedule "A" hereto (collectively, "DK")

Per: ___________________________

Per: ___________________________

(I/We have authority to bind the entities collectively referred to as "DK")

Schedule "A"

MH Davidson Co.

Davidson Kempner International Limited

Davidson Kempner Institutional Partners

Davidson Kempner Partners

Appendix E

THE HONOURABLE
MR. JUSTICE COLIN L. CAMPBELL
SUPERIOR COURT OF JUSTICE

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ONTARIO

L'HONORABLE
JUGE COLIN L. CAMPBELL
COUR SUPÉRIEURE DE JUSTICE

PALAIS DE JUSTICE
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Téléc (416) 327-5417

January 30, 2008

By Facsimile

Mr. Peter Griffin
Lenczner Slagh Royce Smith Griffin LLP
Fax: 416-865-9010

Dear Mr. Griffin:

Re: Hollinger Inc.
Court File No. 07-CL-7120

This will acknowledge receipt of your letter of January 23, 2008.

I agree with the conclusion of the Monitor that the settlement is in the best interests of Hollinger Inc.

Please let me know when it is complete and I will place your letter and this reply in the Court file.

Yours truly,

Colin L. Campbell J.

CLC/sb

Appendix F

Court File No. 07-CL-7120

DATE: January 3, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the Thirteenth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the two weeks ended December 14, attached as Schedule 1; and

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

TERMS OF REFERENCE

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

4. In preparing this Thirteenth 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 Thirteenth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to December 14, 2007 are $4.8 million. The projected inter-company repayments to February 1, 2008 combined with the actual inter-company repayments up to December 14, 2007 total approximately $4.9 million.

DISCUSSIONS AMONG THE PARTIES

7. The negotiating parties believed they had reached a framework for settling their issues subject to resolving certain details and ancillary issues, upon which they reported to the Honourable Justice Campbell on Tuesday, November 6, 2007. On Friday November 9, 2007 Justice Campbell issued an order extending the Stay Period to December 21, 2007. The three-way negotiations between the Applicants, STMG and DK ended on December 18, 2007 without a settlement agreement being reached. The Applicants continue to explore the potential for a two-way agreement to bring before the Court as a consensual way forward. On Wednesday December 19, 2007 Justice Campbell issued an order extending the Stay Period to January 16, 2008 and ordered a case conference to deal with scheduling issues surrounding motions that may be brought forward by DK and the Applicants on January 10, 2008.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the November 3, 2007 Cash Flow Projection

C$ 000s	Projected Results for the two Weeks Ended Friday 14-Dec	Actual Results for the two Weeks Ended Friday 14-Dec	Variance	Notes
Opening Cash, ex. Funds in Trust	3,092	4,346	1,254	
Receipts				
Dividends	-	-	-	
Interest income	7	25	19	
Other	-	-	-	
Intercompany Accounts Receivable (Payable)	-	-	-	
Total receipts	7	25	19	
Disbursements				
Payroll & Benefits	(22)	(49)	(26)	
Directors Fees and Insurance	-	-	-	
Legal Fees (including retainers)	(171)	(37)	134	1
Chapter 15 Legal Fees (US)	(20)	(160)	(140)	2
CCAA Legal Fees (Canada)	(121)	(171)	(50)	2
CCAA Monitor Fees	(80)	(17)	63	
Contractor Fees	(127)	(122)	5	
Advisors	(89)	(0)	89	
Litigation Trust	(21)	-	21	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(10)	(18)	(8)	
Taxes	(22)	-	22	
Other	(2)	38	40	3
Total Disbursements	(685)	(536)	149	
Change in cash	(678)	(511)	167	
Closing cash, ex. Funds in Trusts	2,414	3,835	1,421	

1) Actual disbursements for Legal Fees were lower than projected. The difference represents a timing difference from the projection, which is expected to reverse in the near term

2) Actual disbursements for Chapter 15 and CCAA legal costs were higher than projected. The difference represents a partial reversal of previously reported timing differences from the projection

3) Other disbursements primarily relates to a foreign exchange adjustment on cash in the bank as a result of the appreciation of US Dollar relative to the Canadian Dollar during the week.

Summary of Legal Accruals
As at December 14, 2007
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to December 14, 2007	Total Revised "Bubble" at December 14, 2007	Total Revised "Bubble" as of December 14, 2007 (excluding pre filing amounts)	Total Revised "Bubble" as of November 30, 2007 (excluding pre filing amounts)	Increase in (Decrease) "Bubble" (excluding pre filing amounts)
Legal Fees	56,270	105,467	161,737	68,688	230,425	174,155	117,984	56,171
CCAA Legal Fees	-	9,250	9,250	84,295	93,545	93,545	151,939	(58,394)
Ch 15 Legal Fees	-	38,244	38,244	8,469	46,714	46,714	187,524	(140,811)
Overall Total	56,270	152,961	209,231	161,452	370,684	314,414	457,448	(143,034)

F/X 0.95

Note that the Applicants did make approximately $0.4 million of payments in respect of legal fees during the two weeks ended December 14, 2007; therefore, the increase in the bubble represents the legal fees incurred during the two weeks less payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the two weeks ended December 14, 2007

Reverse Opening Balance (as of November 30, 2007) including pre-filing amounts	(513,718)
Cash Distributions on account of legal fees for the two weeks ended December 14, 2007	368,123
Reduction (increase) in contingency	13,003
Add Closing Balance (as of December 14, 2007) including pre-filing amounts	370,684
Approximate Legal Fees incurred during the two weeks ended December 14, 2007	238,093

Court File No. 07-CL-7120

DATE: January 11, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in this CCAA proceeding.

PURPOSE

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

TERMS OF REFERENCE

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

4. In preparing this Fourteenth Communication, the Monitor has relied upon unaudited financial information and records of the Applicants and certain of their affiliates and

discussions with management of the Applicants. The Monitor has not performed an audit or other verification of such information.

5. The Monitor does not assume any responsibility or liability for losses incurred by the reader or any other party as a result of the circulation, publication, reproduction or use of this Fourteenth Communication.

THE APPLICANTS' ACTUAL CASH RECEIPTS AND DISBURSEMENTS

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

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

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

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

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

10. The Intercompany receipts primarily consist of $4.8 million from 10 Toronto, a non-Applicant in these proceedings. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. As a result of the October 1, 2007 Court Order approving the 10 Toronto pension settlement and the release of funds held in escrow, 10 Toronto is prepared to commit to repay an additional $0.3 million of inter-company amounts owing on an "as needed" basis.

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

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

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

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

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

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

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

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

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

DISCUSSIONS AMONG THE PARTIES

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

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

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

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

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

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

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

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

Court File No. 07-CL-7120

DATE: February 12, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the Fifteenth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the three weeks ended January 25, 2008, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the period ended January 25, 2008, attached as Schedule 2.

TERMS OF REFERENCE

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

4. In preparing this Fifteenth 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 Fifteenth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to January 25, 2008 are $4.8 million. The projected inter-company repayments to February 13, 2008 combined with the actual inter-company repayments up to January 25, 2008 total approximately $4.8 million.

DISCUSSIONS AMONG THE PARTIES

7. Negotiations have moved forward between the parties since the last Monitor's Communication with the Stay Period having been extended to February 13, 2008. A conference call has been convened by the Honourable Justice Campbell for Wednesday, February 13, 2008.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the November 3, 2007 Cash Flow Projection

C$ 000s	Projected Results for the three weeks ended Friday 25-Jan	Actual Results for the three weeks ended Friday 25-Jan	Variance	Notes
Opening Cash, ex. Funds in Trust	**1,569**	**3,377**	1,808	
Receipts				
Dividends	-	-	-	
Interest income	-	-	-	
Other	-	68	68	1
Intercompany Accounts Receivable (Payable)	-	-	-	
Total receipts	**-**	**68**	**68**	
Disbursements				
Payroll & Benefits	(37)	(17)	20	
Directors Fees and Insurance	(59)	(31)	28	
Legal Fees (including retainers)	(256)	(155)	101	2
Chapter 15 Legal Fees (US)	(30)	(33)	(3)	
CCAA Legal Fees (Canada)	(181)	(132)	49	2
CCAA Monitor Fees	(120)	(30)	90	2
Contractor Fees	-	-	-	
Advisors	(111)	(81)	30	
Litigation Trust	(32)	-	32	
Monitor re Claims Process	(165)	-	165	
Monitor Counsel re Claims Process	(89)	-	89	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	-	-	-	
Taxes	-	-	-	
Other	(14)	4	18	
Total Disbursements	**(1,094)**	**(475)**	**619**	
Change in cash	**(1,094)**	**(407)**	**687**	
Closing cash, ex. Funds in Trusts	**475**	**2,970**	**2,495**	

1) Other Receipts relates to US tax refunds received by during the period.

2) Actual disbursements for Chapter 15 and CCAA costs were lower than projected. The difference represents a partial reversal of previously reported timing differences from the projection.

Summary of Legal Accruals
As at January 25, 2008
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to January 25, 2008	Total Revised "Bubble" at January 25, 2008	Total Revised "Bubble" as of January 25, 2008 **(excluding pre filing amounts)**	Total Revised "Bubble" as of December 14, 2007 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	73,538	129,808	60,755	190,564	134,294	174,155	(39,861)
CCAA Legal Fees	-	12,626	12,626	169,212	181,839	181,839	93,545	88,294
Ch 15 Legal Fees	-	28,067	28,067	20,057	48,123	48,123	46,714	1,410
Overall Total	**56,270**	**114,232**	**170,502**	**250,024**	**420,526**	**364,256**	**314,414**	**49,842**

F/X **0.95**

Note that the Applicants did make approximately $0.4 million of payments in respect of legal fees during the period ended January 25, 2008; therefore, the increase in the bubble represents the legal fees incurred during the period less payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the period ended January 25, 2008

Reverse Opening Balance (as of December 14, 2007) including pre-filing amounts	(370,684)
Cash Distributions on account of legal fees for the period ended January 25, 2008	372,005
Reduction (increase) in contingency	(4,531)
Add Closing Balance (as of January 25, 2008) including pre-filing amounts	420,526
Approximate Legal Fees incurred during the period ended January 25, 2008	417,315

Court File No. 07-CL-7120

DATE: March 12, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the Sixteenth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' weekly variance report for the four weeks ended February 22, 2008, attached as Schedule 1;

   (b) Applicants' receipts and disbursements from the date of the Initial Order to February 22, 2008, which is attached as Schedule 2; and

   (c) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the period ended February 22, 2008, attached as Schedule 3.

TERMS OF REFERENCE

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

4. In preparing this Sixteenth 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 Sixteenth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to February 22, 2008 are $4.8 million.

CURRENT STATUS

7. On February 28, 2008 the Applicants filed a notice of motion seeking an Order (i) authorizing and directing the Applicants to prepare and file a Plan of Arrangement incorporating the terms described in a term sheet annexed as Schedule "A" thereto; (ii) authorizing the Applicants to take certain steps to restructure certain of their operations and management including the appointment of a Litigation Guardian to preserve, protect and realize upon the litigation assets; and (iii) establishing a claims process for the review and determination of all claims against the Applicants, and the appointment of a Claims Officer. On that same date Davidson Kempner Capital Management LLC ("DK") filed a notice of motion seeking, among other things, a termination of the CCAA proceedings, an order declaring the Applicants bankrupt and the appointment of a trustee in bankruptcy. Sun Times Media Group Inc. ("STMG") filed a similar motion.

8. On Friday February 29, 2008 counsel for the Applicants, DK, STMG, the Indenture Trustees and certain others attended with the Monitor before Mr. Justice Campbell to

discuss the scheduling of the various motions and the delivery of all material in connection therewith. On February 29, 2008 Justice Campbell issued an order extending the Stay Period to April 25, 2008 and directed that all of the motions be dealt with according to a schedule for the delivery of materials and cross-examinations if any to be coordinated by the Monitor and agreed by counsel, for a hearing tentatively scheduled for April 22 and 23, 2008, if necessary.

9. While the scheduling of these motions does not preclude further negotiations among the parties, the Monitor is not aware of continuing negotiations that would result in a tri-partite agreement being reached among the Applicants, DK and STMG at this time.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the November 3, 2007 Cash Flow Projection

C$ 000s	Projected Results for the four weeks ended Friday 22-Feb	Actual Results for the four weeks ended Friday 22-Feb	Variance	Notes
Opening Cash, ex. Funds in Trust	**475**	**2,970**	2,495	
Receipts				
Dividends	-	-	-	
Interest income	2	-	(2)	
Other	-	-	-	
Intercompany Accounts Receivable (Payable)	695	-	(695)	1
Total receipts	**697**	**-**	**(697)**	
Disbursements				
Payroll & Benefits	(20)	(1)	20	
Directors Fees and Insurance	(30)	-	30	
Legal Fees (including retainers)	(264)	(105)	158	2
Chapter 15 Legal Fees (US)	(37)	-	37	2
CCAA Legal Fees (Canada)	(232)	(183)	50	2
CCAA Monitor Fees	(100)	(92)	8	
Contractor Fees	(127)	(121)	6	
Advisors	(193)	(97)	96	
Litigation Trust	(38)	-	38	
Monitor re Claims Process	(55)	-	55	
Monitor Counsel re Claims Process	(30)	-	30	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(10)	-	10	
Taxes	(22)	-	22	
Other	(15)	13	28	3
Total Disbursements	**(1,172)**	**(585)**	**588**	
Change in cash	**(475)**	**(585)**	**(109)**	
Closing cash, ex. Funds in Trusts	**-**	**2,385**	**2,385**	

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, Chapter 15 and CCAA legal costs were lower than projected. The difference represents a timing difference from the projection, which is expected to reverse in the near term.

3) Other disbursements relates to a foreign exchange adjustment on cash in the bank as a result of the appreciation of US Dollar relative to the Canadian Dollar during the week.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Actual Cash Flow for the period from August 1, 2007 to February 22, 2008

C$ 000s	Total Actual Cash Flow for the period from August 1, 2007 to January 4, 2008	Total Actual Cash Flow for the period from January 5, 2008 to February 22, 2008	Total Actual Cash Flow for the period from August 1, 2007 to February 22, 2008	
Opening Cash, ex. Funds in Trust	1,495	3,377	1,495	
Receipts				
Dividends	-	-	-	
Interest income	41	-	41	
Other	5,582	68	5,650	
Intercompany Accounts Receivable (Payable)	4,846	-	4,846	
Total receipts	10,469	68	10,537	
Disbursements				
Payroll & Benefits	(256)	(18)	(274)	
Directors Fees and Insurance	(560)	(31)	(591)	
Legal Fees (including retainers)	(3,037)	(260)	(3,298)	Note 1
Chapter 15 Legal Fees (US)	(750)	(33)	(783)	
CCAA Legal Fees (Canada)	(1,236)	(315)	(1,551)	
CCAA Monitor Fees	(620)	(121)	(741)	
Contractor Fees	(740)	(121)	(861)	
Advisors	(814)	(178)	(992)	
Litigation Trust	-	-	-	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(153)	-	(153)	
Taxes	-	-	-	
Other	(422)	17	(404)	
Total Disbursements	(8,588)	(1,060)	(9,648)	
Change in cash	1,881	(992)	889	
Closing cash, ex. Funds in Trust	3,377	2,385	2,385	

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.

As at February 22, 2008, the cash balances at each of the Applicants and non-Applicants (with any cash) were as follows:

(Cdn Millions)

Applicants	$ 2.4
Holcay	$ 0.0
Domgroup	$31.3
10 Toronto	$ 7.0

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

Summary of Legal Accruals
As at February 22, 2008
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to February 22, 2008	Total Revised "Bubble" at February 22, 2008	Total Revised "Bubble" as of February 22, 2008 **(excluding pre filing amounts)**	Total Revised "Bubble" as of January 25, 2008 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	106,104	162,374	80,858	243,233	186,963	134,294	52,669
CCAA Legal Fees	-	8,471	8,471	83,077	146,547	146,547	181,839	(35,291)
Ch 15 Legal Fees	-	6,183	6,183	37,887	44,071	44,071	48,123	(4,052)
Overall Total	56,270	120,759	177,029	201,822	433,851	377,581	364,256	13,325

F/X 0.95

Note that the Applicants did make approximately $0.3 million of payments in respect of legal fees during the period ended February 22, 2008; therefore, the increase in the bubble represents the legal fees incurred during the four weeks less payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the period ended February 22, 2008

Reverse Opening Balance (as of January 25, 2008) including pre-filing amounts	(420,526)
Cash Distributions on account of legal fees for the period ended February 22, 2008	288,141
Reduction (increase) in contingency	(1,211)
Add Closing Balance (as of February 22, 2008) including pre-filing amounts	433,851
Approximate Legal Fees incurred during the four week period ended February 22, 2008	300,255

Court File No. 07-CL-7120

DATE: April 3, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the "Seventeenth Communication") is to provide an information update to all stakeholders, including:

   (a) Applicants' actual receipts and disbursements from the five weeks ended March 28, 2008, which is attached as Schedule 1;

   (b) Additional details regarding the Applicants' cash disbursements since filing that was circulated in the Sixteenth Communication, which is attached as Schedule 2; and

   (c) Updated information reflecting events occurring after the effective date of the Waterfall Summary as of June 30, 2007 that was circulated as part of the Third Report of the Monitor.

TERMS OF REFERENCE

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

4. In preparing this Seventeenth 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 Seventeenth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto Street Inc. ("10 Toronto") has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to March 28, 2008 are $4.8 million.

THE APPLICANTS' ACTUAL CASH RECEIPTS AND DISBURSEMENTS

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

8. The Monitor notes that a critical concern early in these proceedings was the high cash burn rate being incurred by the Applicants both in pursuing litigation assets as well as in dealing with the litigation within these CCAA and ancillary U.S. Chapter 15 proceedings. The terms negotiated by the Applicants and certain stakeholders as set out in an Order dated September 26, 2007, provided for a standstill of litigation among the Applicants and the stakeholders within these proceedings so as to reduce the associated high cost to the Applicants in the immediate term and to permit the parties to focus on constructive dialogue to determine if a global settlement could be reached. In addition, the Applicants agreed to limit their activities in pursuing the litigation assets to bare maintenance levels

in the short term, pending a structure being established to most effectively and efficiently pursue these assets for the benefit of the Applicants' stakeholders. These initiatives have been successful in reducing the Applicants' costs and conserving, to the extent practicable, their limited cash resources.

9. As set out in the Sixteenth Communication, the total cash disbursements from filing to February 22, 2008 were approximately $9.3 million, which includes $2.1 million of disbursements relating to costs incurred prior to filing. In addition, the Applicants have a cumulative foreign exchange translation loss on the cash in the bank due to the appreciation of the Canadian dollar relative to the US dollar of approximately $0.4 million.

10. In response to information requests received from certain stakeholders, the Applicants have prepared a detailed breakdown of their disbursements since August 1, 2007 to February 22, 2008, included as Schedule 2.

WATERFALL SUMMARY UPDATE

11. This update is not intended to provide a complete update of the Waterfall Summary given the time constraints. Reflecting these selected transactions in the Waterfall Summary does not materially alter the Waterfall Summary.

Holcay Holdings Ltd.

12. The assets of Holcay Holdings Ltd., ("Holcay") included a 40% equity interest in Cayman Free Press ("CFP") which owned and operated The Compass newspaper in the Cayman Islands. At the date of filing Holcay had US $0.6 million held in a bank in the Cayman Islands. For the purposes of the cash flow projections, it was assumed that cash held by Holcay was available for use by the Applicants, as Holcay had no known creditors other than Domgroup and Hollinger Inc.

13. During the first week of September 2007, Holcay received payment in full of the promissory note of US $4.2 million, issued by CFP in favour of Holcay, along with a US $1.0 million dividend payment from CFP. These funds were received from the purchaser and were held in trust by Hollinger's corporate counsel, Davies, Ward, Phillips and

Vineberg ("Davies") pending the mechanics of payment to Hollinger and Domgroup being finalized.

14. Holcay repaid its inter-company payables in full of $0.2 million due to Hollinger and $1.7 million due to Domgroup, during the week ending October 5, 2007. From October 5, 2007 to December 19, 2007, Holcay transferred approximately US $0.5 million to the Applicants to fund on-going operations.

15. On December 19, 2007 Holcay issued a US $3.4 million dividend to Hollinger Inc. that transferred substantially all the remaining Holcay funds to Hollinger Inc. Since it was assumed in the cash flow projections that any cash held by Holcay was available for use by the Applicants as Holcay had no known creditors other than Domgroup and Hollinger Inc., there is no cash impact on the weekly projections as a result of the dividend.

Summary of Holcay balances that have changed as at December 31, 2007

Cash	$0.0
Inter-Company Payable to Domgroup	$0.0
Inter-Company Payable to Hollinger Inc	$0.0

10 Toronto Street Inc.

16. 10 Toronto had funds held in escrow in the amount of $2.9 million. The funds being held were a portion of the proceeds of the sale of the 10 Toronto Street property. A claim had been asserted by Morneau Sobeco, as administrator appointed by the Financial Services Commission of Ontario, against 10 Toronto over an alleged deficiency in respect of a defined benefit pension plan sponsored by The Ravelston Corporation Limited ("RCL") for various individuals, some of whom were or are employees of 10 Toronto and others who are former employees of RCL or other companies.

17. On October 1, 2007 the Honourable Justice Campbell issued an Order approving the minutes of settlement between Morneau Sobeco and Hollinger and the sum of $1.4 million was paid to the RCL pension plan. The remaining funds of approximately $1.6 million (including interest) were received by 10 Toronto on October 10, 2007.

18. 10 Toronto has sold a portion of their Artwork in two auctions for total net proceeds of approximately $0.6 million. The proceeds were received in January and March 2008. 10

Toronto will attempt to sell most of the remaining pieces in auctions that will be held during the month of April 2008.

19. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to \$7.5 million of total inter-company amounts owed to Hollinger of approximately \$9.6 million. The total inter-company repayments since filing from 10 Toronto are \$4.8 million, reducing the inter-company amount to Hollinger to \$4.8 million.

20. Since filing, 10 Toronto has received payroll and benefits reimbursements from Hollinger of 50% of the total payments for employee related costs, including payroll, benefits and pre-filing severance costs

Summary of 10 Toronto balances that have changed as at December 31, 2007

Cash	\$6.8
Inter-Company Payable to Hollinger Inc	\$4.8
Amount in Escrow	\$0.0

Domgroup Ltd.

21. Domgroup Ltd, ("Domgroup") has a vendor take-back mortgage receivable in the amount of \$4.2 million relating to the sale of the property at 1050 The Queensway, Toronto in 2004. The proceeds from the vendor take-back are to be paid to Domgroup in two instalments, \$2.5 million was received in February 2008 and \$1.7 million is to be received on or about April 30, 2008. These amounts include an additional \$1.0 million closing bonus as a result the number of condominium units sold.

22. Domgroup entered into a purchase and sale agreement to sell 230 Cannon Street property in Hamilton, Ontario for \$1.8 million after deducting commission. The transaction closed during the month of February 2008.

23. Domgroup received repayment of an inter-company amount owing by Holcay of \$1.7 million. Domgroup then repaid \$1.7 million, representing a portion of its total inter-company payable due to Hollinger of \$23.6 million, during the week ending October 26, 2007. The intercompany payable to Hollinger increased by approximately \$0.5 million over the period relating to accrued interest.

24. Since filing, Domgroup has received reimbursements for operating costs relating to the buildings from Hollinger for 50% of the total Adelaide and Wellington offices lease and operating costs.

25. The post retirement benefit obligations as of December 31, 2007 are approximately $8.8 million. Claims of any other creditors of Domgroup are unknown at this time.

Summary of Domgroup balances that have changed as at December 31, 2007

Cash	$26.8
Inter-Company Payable to Hollinger Inc	$22.4
Inter-Company Receivable from Holcay	$0.0

26. The Applicants and the non-Applicant Subsidiaries have not initiated a claims process at this time. Accordingly, the Waterfall Summary and the update reflect known obligations recorded in the Applicants' and Subsidiaries' unconsolidated financial statements and trial balances as of June 30, 2007 and the contingent assets and liabilities referenced in Hollinger's consolidated June 30, 2007 quarterly financial statements updated to December 31, 2007.

CURRENT STATUS

27. On Friday February 29, 2008 counsel for the Applicants, DK, STMG, the Indenture Trustees and certain others attended with the Monitor before Mr. Justice Campbell to discuss the scheduling of the various motions and the delivery of all material in connection therewith. On February 29, 2008 Justice Campbell issued an order extending the Stay Period to April 25, 2008 and directed that all of the motions be dealt with according to a schedule for the delivery of materials and cross-examinations if any to be coordinated by the Monitor and agreed by counsel, for a hearing tentatively scheduled for April 22 and 23, 2008, if necessary.

28. On March 25, 2008, the Applicants announced that they have entered into a settlement agreement (the "Settlement Agreement") with STMG. In order to become effective, the Settlement Agreement must be approved by the Ontario Superior Court of Justice and the United States Bankruptcy Court for the District of Delaware.

29. The Settlement Agreement forms part of an Amended Plan Term Sheet to be filed by the Applicants with the Ontario Court (the "Term Sheet") for relief it is seeking in connection with its CCAA proceeding, which is anticipated to be heard by the Ontario Court on April 22-23, 2008. The Term Sheet incorporating the Settlement Agreement is attached as Schedule 3. The Settlement Agreement provides for the resolution of all outstanding matters between the Applicants and STMG and would form the basis for a plan of arrangement (the "CCAA Plan") that may be prepared by the Applicants within the CCAA proceedings.

30. On March 25, 2008 the Applicants announced that the U.S. Securities and Exchange Commission (the "SEC") accepted an Offer of Settlement and a Consent submitted by Hollinger relating to proceedings initiated by the SEC on November 15, 2004 in the Illinois District Court against Conrad Black, David Radler and Hollinger. Hollinger has consented to the entry of Final Judgment against it, without admitting or denying the facts contained in the SEC's complaint. The Final Judgment will provide, among other things, for the disgorgement of approximately US$21.28 million (representing US$16.55 in alleged non-competition payments received by Hollinger plus interest thereon), against which will be credited the same amount already paid to STMG in satisfaction of the Delaware Court of Chancery judgment against Hollinger and Conrad Black in Hollinger International Inc. v. Black, et al. As a result, the SEC settlement does not involve the payment of any money from the Applicants' estate to any party.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Actual Cash Flow for the period from February 23, 2008 to March 28, 2008

C$ 000s	Total Actual Cash Flow for the period from February 23 to March 28, 2008	
Opening Cash, ex. Funds in Trust	**2,385**	
Receipts		
Dividends	-	
Interest income	15	
Other	144	Note 1
Intercompany Accounts Receivable (Payable)	-	
Total receipts	**160**	
Disbursements		
Payroll & Benefits	(97)	
Directors Fees and Insurance	(41)	
Legal Fees	(215)	
Chapter 15 Legal Fees (US)	(105)	
CCAA Legal Fees (Canada)	(183)	
CCAA Monitor Fees	(121)	
Contractor Fees	(121)	
Advisors	(32)	
Interest on Senior Secured Notes	-	
Operating Costs related to building	(47)	
Taxes	-	
Other	(20)	
Foreign Exchange Adjustment	(20)	Note 2
Total Disbursements	**(1,001)**	
Change in cash	**(841)**	
Closing cash, ex. Funds in Trust	**1,544**	

1) Other Receipts relate to the proceeds from the sale of Hollinger's investment in Fifty-Plus.Net International Inc. shares during the period.

2) Foreign Exchange Adjustment relates to a foreign exchange adjustment on cash in the bank as a result of the appreciation of US Dollar relative to the Canadian Dollar during the period.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Cash Disbursements
For the period August 01, 2007 to February 22, 2008

	Vendor Name	Pre-filing amount	Post filing amount	Total
1	**Public Company Costs**			
	AGM	$ -	$ 5,338	$ 5,338
	1530622 Ontario Inc.(Ram) - F/S	-	23,135	23,135
	Audio Visual Ventures	-	124	124
	Boughton Law - B.C. Service	-	486	486
	Broadridge	-	3,741	3,741
	Computershare	9,687	51,798	61,485
	Kilpatrick Stockton - Audit response letter	474	-	474
	Lloyds TSB Registrars	108	-	108
	Marketwire	-	8,502	8,502
	Ogilvy Renault - Audit response letter	265	-	265
	Smith Nixon - F/S	-	14,971	14,971
	The Depository Trust Company	-	121	121
	TSX Broadcast & Conference Centre	-	2,120	2,120
	Voorheis & Co. - courier cost reimbursement	-	78	78
	Zeifman & Company - F/S	58,109	8,494	66,603
	Total Public Company Costs	**68,643**	**118,907**	**187,550**
2	**Inspectorship**			
	Ernst & Young	107,000	-	107,000
	M. Nash Consulting	22,543	55,437	77,980
	Searchlight Systems Ltd.	44,063	2,982	47,045
	Total Inspectorship	**173,606**	**58,419**	**232,026**
3	**Salaries and Benefits**			
	10 Toronto Street Inc. - Reimbursement of 50%	-	208,853	208,853
4	**Premises costs**			
	Domgroup Ltd. - Reimbursement of occupancy costs	12,663	149,718	162,382
5	**CEO/CFO**			
	Blue Tree Advisors - CFO	-	296,000	296,000
	Blue Tree Advisors - Expense reimbursement	3,027	2,950	5,976
	VC & Co. Incorporated - CEO	-	555,000	555,000
	VC & Co. Incorporated - Expense reimbursement	15,268	2,198	17,466
	Total CEO/CFO	**18,294**	**856,148**	**874,442**
6	**Directors**			
	Ceridian Canada Ltd - Director fees	38,401	190,810	229,211
7	**Insurance**			
	Adair Morse	17,639	-	17,639
	Cameron & Associates	2,979	-	2,979
	Kanuka Thuringer	2,023	-	2,023
	Willis Canada Inc. - STMG ODL	-	357,277	357,277
	Total Insurance	**22,641**	**357,277**	**379,918**
8	**Financial Advisory**			
	BMO Nesbitt Burns Inc.	-	561,623	561,623
	Gray Hunter Stenn - U.S. tax returns	752	-	752
	R. Pilkey - contract tax work	3,756	24,382	28,139
	Total Financial Advisory	**4,509**	**586,005**	**590,514**
9	**CCAA and Chapter 15**			
	Davies - CCAA	42,945	91,378	134,323
	Miller Advertising - Chapter 15 Announcement	-	9,105	9,105
	Morris, Nichols - Delaware	3,963	161,388	165,352
	ThorntonGroutFinnigan - CCAA	83,968	1,346,180	1,430,148
	Weil, Gotshal - Chapter 15 and Delaware	51,249	211,334	262,583
	Total CCAA and Chapter 15	**182,126**	**1,819,385**	**2,001,511**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Cash Disbursements
For the period August 01, 2007 to February 22, 2008

	Vendor Name	Pre-filing amount	Post filing amount	Total
10	**Monitor**			
	Blank Rome - Monitor Delaware counsel Chapter 15	-	6,829	6,829
	Ernst & Young - Monitor	6,621	741,130	747,751
	Lenczner Slaght - Monitor Canadian counsel	19,117	246,631	265,749
	Willkie Farr - Monitor USA counsel	-	21,716	21,716
	Total Monitor	**25,738**	**1,016,307**	**1,042,046**
11	**Legal**			
	Davies - General Corporate	181,430	178,110	359,540
	Davies - Board matters	42,830	64,834	107,664
	Davies - OSC/SEC	-	6,101	6,101
	Davies - Securities	218,700	152,729	371,429
	Davies - STMG	16,500	74,200	90,700
	Davies - Tax	18,058	83,470	101,528
	Davies - Other (contract dispute)	-	2,292	2,292
	Voorheis & Co. - Sale of Caymen and Costa Rica Investments	16,189	20,731	36,920
	Weil, Gotshall - U.S. Securities and STMG Board Matters	102,499	422,667	525,166
	Total Legal	**596,206**	**1,005,134**	**1,601,340**
12	**Litigation**			
	M T Mitchell FCA - KPMG Litigation	2,968	-	2,968
	R. Mitchell - contract work - KPMG Litigation	8,904	2,041	10,945
	Siskind Cromarty - Torys Litigation	-	1,530	1,530
	Aylesworth Thompson - Witness Counsel for SEC	3,277	-	3,277
	Davies - Receivership of Ravelston	1,641	8,075	9,716
	Davies - Black et al.	18,835	-	18,835
	Elmer Stahl - SEC and STMG/Black Litigation	413,709	252,028	665,737
	Fasken Martineau - Former Audit Committee and Torys Litigations	339,618	304,486	644,104
	Abrams & Laster - STMG Litigation	-	26,521	26,521
	Astigarraga Davis - Black Litigation	406	-	406
	Hunter Litigation Chambers - Radler	1,720	-	1,720
	Paliare Roland - CIBC and KPMG Litigation	62,069	96,962	159,031
	Voorheis & Co. - CIBC Litigation and Black matters	72,762	5,000	77,762
	Total Litigation	**925,909**	**696,642**	**1,622,551**
13	**Mareva**			
	Davies - Mareva	33,373	82,851	116,224
	Goodmans - CSA Administration	12,659	3,859	16,518
	Navigant Consulting	14,880	4,122	19,002
	Total Mareva	**60,912**	**90,832**	**151,743**
14	**Other**			
	CIBC service Charges	-	364	364
	Total of Expenditures	**$ 2,129,648**	**$ 7,154,801**	**$ 9,284,450**
	Cummulative Foreign Exchange Translation Loss on Cash in Bank			**363,192**
	Amount reported in 16th communication of the Monitor			**$ 9,647,642**

UNAUDITED

Schedule 3

FINAL
March 24, 2008

Schedule "A"

CCAA Plan Term Sheet

The Applicants seek Court approval ("Court Approval") to present a plan of arrangement (the "Plan") upon the following terms:

A. STMG

1. Upon Court Approval, the Court shall authorize and direct Hollinger, 432, STMG and any other necessary parties to forthwith take the steps necessary to convert Hollinger's and 432's existing Class B shares into an equal number of Class A shares (the "Conversion"), subject to and prior to the steps described in paragraphs 2 and 3 hereof.

2. If STMG's stockholders are required to approve (the "Stockholder Approval") the issuance of the Additional Shares (as defined below), then, upon Court Approval, the Court shall authorize Hollinger, and Hollinger shall approve the issuance of the Additional Shares, pursuant to a stockholder written consent (the "Consent").

3. If Stockholder Approval is required, as soon as possible after the Consent Effective Date (as defined below), Hollinger and STMG shall effect the Conversion pursuant to the Restated Certificate of Incorporation of STMG. The Consent shall be effective after all actions required by the Securities Exchange Act of 1934, as amended (the "1934 Act"), have been taken and the issuance of the Additional Shares is permitted by the 1934 Act (the "Consent Effective Date"). If no Stockholder Approval is required, Hollinger and STMG shall effect the Conversion pursuant to the Restated Certificate of Incorporation of STMG as soon as possible after Court Approval.

4. Upon the later of (i) Plan Implementation and (ii), if Stockholder Approval is required, the Consent Effective Date, STMG will issue to Hollinger (or as it may direct) 1,499,000 additional Class A shares (the "Additional Shares"). The number of Additional Shares represents 10% of the number of Hollinger's and 432's existing Class B shares.

5. For the avoidance of doubt, if the Plan is (i) rejected by the secured creditor class described herein or (ii) not prepared or otherwise implemented by October 31, 2008, then, in each case, the Additional Shares will not be issued.

6. All transactions will comply with all applicable laws and regulations and rules of applicable stock exchanges.

7. Effective upon Court Approval, the six directors appointed by Hollinger to the Board of STMG (Wes Voorheis ("Voorheis"), William Aziz ("Aziz"), Edward Hannah, Peter Dey ("Dey"), Brent Baird ("Baird") and Albrecht Bellstedt ("Bellstedt")) will submit their resignations from the board of STMG. Upon Court Approval, each resigning director will receive: (a) a written confirmation from STMG that any existing STMG indemnity will remain in place and that such resigning director will be covered by the STMG

directors and officers insurance policy in effect from time to time on the same terms as may be applicable to any other current STMG directors; and (b) reimbursement by STMG of all reasonable legal fees incurred by the independent directors (Dey, Baird and Bellstedt) in respect of their tenure as directors of STMG. Upon payment of such fees by STMG, Hollinger will reimburse STMG for all amounts paid in respect of such legal fees, except for US$75,000.

8. Upon Court Approval, Hollinger will pay to STMG the reasonable fees and costs, including legal fees, of STMG incurred in connection with the CCAA proceedings of the Applicants, from August 1, 2007 up to and including the date of Court Approval. However, the total amounts payable to STMG by Hollinger under this paragraph shall be subject to a cap of US$1 million in the aggregate.

9. STMG and Hollinger will cooperate to maximize the recoverable portion of the class action insurance settlement proceeds payable to them and such proceeds shall be allocated so that STMG receives 80% of such proceeds, and Hollinger receives 20% of such proceeds.

10. Hollinger and STMG agree to divide their respective recoveries from the insolvency proceeding of Ravelston equally as between them.

11. The following claims of STMG shall be allowed as unsecured claims against the Applicants (the "STMG Allowed Claims") in the amounts indicated below, subject to confirmation of the calculations of the quantum of such claims by the Monitor:

    (a) a claim in respect of the promissory note executed by 4322525 Canada Inc. ("432") in the amount of US $40,545,974;

    (b) all claims for contribution and indemnity STMG has or may assert against Hollinger in the amount of US$28,663,588; and

    (c) a claim for the aircraft lease settlement in the amount of CDN$1,281,941.

12. Other than the STMG Allowed Claims, all other claims of STMG and its subsidiaries against the Applicants or any of their other subsidiaries, and all claims of the Applicants and their subsidiaries against STMG and its subsidiaries, shall be released upon Court Approval. The Applicants agree, in connection with their release of STMG, that they will not seek contribution, indemnification, reimbursement or any other form of claims over from Torys LLP or any of its predecessor or successor partnerships, F. David Radler or North American Newspapers Ltd. for any consideration paid or payable by any of the Applicants to STMG under this Term Sheet. For greater certainty, nothing contained in this paragraph shall limit or otherwise compromise in any manner, the Applicants' right to pursue or continue to pursue those named parties for any claims whatsoever, save and except only in respect of consideration paid or payable by the Applicants to STMG under this Term Sheet.

13. Within seven days of execution of this Term Sheet, STMG and Hollinger shall jointly seek an order from the Illinois Court dismissing their claims against each other with

prejudice, subject to reinstatement if Court Approval is not obtained, and confirming that STMG is entitled to pursue its claims against the defendants in the Illinois Action other than Hollinger after STMG's claims against Hollinger are dismissed. Obtaining such an order will be a condition precedent to implementation of all terms hereof intended to be effective upon Court Approval.

14. The total recoveries of STMG under the STMG Allowed Claims shall be capped at a maximum of US$15 million (the "STMG Cap"). After receipt of the STMG Cap, the balance of the STMG Allowed Claims will be assigned to the Applicants for the benefit of the Applicants' other general unsecured creditors.

15. Upon STMG receiving distributions in the aggregate amount of US$7.5 million in respect of the STMG Allowed Claims (after giving effect to any valid and effective subordination regarding distributions under the 432 promissory note referred to in paragraph 11(a) above, if any), fifty percent (50%) of all distributions thereafter payable to STMG in respect of the STMG Allowed Claims shall be assigned to the Applicants, and, subject to further approval by the Court at that time, shall be available to be used by the Litigation Trustee (as described herein) in the course of his mandate in respect of the Litigation Assets (as described herein).

16. Prior to any agreement in respect of the terms contained herein, STMG will ensure that nothing in the Plan or its implementation will:

    (a) cause the Rights (as defined in the STMG rights plan) to become exercisable;

    (b) cause any Person (as defined in the STMG rights plan) to become an Acquiring Person (as defined in the STMG rights plan); or

    (c) trigger the application of the STMG rights plan.

17. STMG will continue with its independent examination of all strategic alternatives available to STMG.

18. Subject to the terms of any existing court orders or agreements pursuant to which the Applicants may be restricted, the Applicants will support the making of an order providing STMG with equal rights in respect of the Applicants' Mareva injunction against Conrad Black and Barbara Amiel Black. STMG shall be permitted to reserve its right as to whether to seek such an order.

B. Restructuring of the Security for the Notes

At their option, the Applicants may present a Plan to their creditors that contains the terms in this Section B, or such other terms as may be negotiated with the creditors of the Applicants. If no such plan is prepared or implemented by October 31, 2008 STMG shall be relieved from the obligation to issue or deliver the Additional Shares. The provisions of this term sheet other than those contained in Section B will be operative and implemented in accordance with the terms hereof, whether or not such a Plan is ever presented or approved.

19. The exchanged and new Class A shares of STMG referred to in paragraph 1 hereof shall replace the Class B shares now held by the collateral agent for the benefit of the indenture trustees and the noteholders.

20. The collateral agent, the indenture trustees and the noteholders shall forbear from enforcing any rights in respect of the collateral, including exercising any voting rights, until the occurrence of one of the following triggering events:

    (a) if noteholders are not paid in full by the current stated maturity date;

    (b) if the noteholders have not received payment in full by the date of the final distribution from the estates of the Applicants;

    (c) any proposed sale of all or substantially all of the shares or assets of STMG;

    (d) if Hollinger is declared bankrupt; or

    (e) upon the commencement of any formal bankruptcy, insolvency, liquidation, winding-up or Court supervised reorganization of STMG.

21. Notwithstanding the above, the indenture trustees shall have the right to direct the voting of the pledged shares in respect of any proposed sale of all or substantially all of the shares or assets of STMG.

22. Prior to the occurrence of a triggering event, Hollinger and 432 shall vote the shares owned by them but will consult with the indenture trustees prior to any vote.

C. General Plan Conditions

23. There will be procedural consolidation for the CCAA processes of all Applicants and substantive consolidation of all assets and claims of the Applicants which may include a formal amalgamation of some or all of the Applicants and their subsidiaries (other than STMG and its subsidiaries) in order to minimize claims and maximize recoveries.

24. A standard CCAA claims process shall be implemented immediately for all claims against the Applicants except claims against the Applicants by their subsidiaries (other than STMG and its subsidiaries).

25. A subsequent claims process shall be implemented in respect of the non-Applicant subsidiaries of the Applicants to ensure that all creditors of those subsidiaries are identified prior to the asset consolidation herein contemplated.

26. The Applicants, in consultation with the Monitor, shall prepare a plan to consolidate at Hollinger, on a tax-effective basis, all assets of the non-Applicant subsidiaries of the Applicants (other than STMG and its subsidiaries) after payment of all claims of creditors of such subsidiaries.

27. There shall be two classes of creditor claims under the Plan as follows:

(a) a secured creditor class which shall be comprised of the secured claim of the trustee of the senior noteholders on behalf of the senior noteholders in an amount calculated as follows:

i. for voting purposes, the amount of the 20-day weighted average trading price of a single STMG Class A share based on the 20-day trading period prior to the tenth day before the vote multiplied by the number of Class B shares or Class A shares (if the Class B shares have converted prior to any such vote) held as collateral; and

ii. for distribution purposes, the amount of the 20-day weighted average trading price of a single STMG Class A share based on the 20-day trading period prior to the tenth day before the plan implementation date multiplied by the number of Class A shares held as collateral immediately after plan implementation; and

(b) one general unsecured creditor class incorporating all other claims, including restructuring claims for contracts repudiated by the Applicants in accordance herewith and including a deficiency claim for secured creditors which will be calculated as follows:

i. for voting purposes, the total amount owing to the indenture trustees, including all principal, interest and reasonable fees in accordance with the indentures on the tenth day before the vote less the amount of the secured creditors' claims allowed for voting purposes; and

ii. for distribution purposes, the total amount owing to the indenture trustees, including all principal, interest and reasonable fees in accordance with the indentures on the tenth day before the plan implementation date, less the amount of the secured creditors' claim for distribution purposes.

28. In the event that the plan is not approved by the requisite statutory majorities of secured creditors, the shares held as collateral shall be transferred into the name of the collateral agent whereupon they shall be converted into an equivalent number of Class A shares of STMG, unless previously converted in accordance with the terms of this Term Sheet.

29. The form and content of the Plan as it relates to STMG shall be satisfactory to STMG, acting reasonably.

D. Corporate Governance

30. Aziz, or an entity controlled by him, shall be appointed forthwith by the Court Approval order as the chief restructuring officer (the "CRO") of the Applicants and an officer of the Court in consideration of a monthly salary of $65,000, payable in advance, plus GST as applicable and reimbursement of reasonable expenses. Such engagement shall be on a month-to-month basis and may be terminated by Aziz upon 30 days' prior written notice.

31. The CRO shall be responsible, among other things, for developing and implementing the asset consolidation and repatriation plan and assisting the Monitor with the claims process.

32. The board of directors of Hollinger shall be reduced as soon as possible to a maximum of three persons.

33. Upon Court Approval, Hollinger and Voorheis will agree to suspend payment of all monthly work fees payable under Hollinger's consulting agreement with Voorheis or any entity controlled by him and Voorheis shall resign as an officer and director of the Applicants or any subsidiary.

34. In accordance with the engagement letter between Hollinger and BMO Nesbitt Burns Inc. ("BMO"), dated June 15, 2007, payment of all monthly work fees payable to BMO ceased in February 2008.

E. Litigation Assets

35. As part of the Court Approval order, justice John D. Ground shall be appointed as an officer of the Court to perform the role of litigation trustee (the "Litigation Trustee") of all litigation assets of the Applicants (the "Litigation Assets") on such terms as may be agreed between the Applicants and justice Ground and subject to approval by the Court.

36. The Litigation Trustee will supervise, control and administer all aspects of the Litigation Assets of the Applicants, in consultation with the Applicants and subject to monitoring by the Monitor and supervision by the Court.

37. The Litigation Trustee may, if he considers it necessary or advisable, retain the services of Voorheis or an entity controlled by him on an hourly basis to provide assistance or advice in respect of the Litigation Assets.

38. The Litigation Trustee will be responsible for administering the Litigation Assets efficiently and in a cost-effective manner with a view to maximizing the net return, after costs, from the Litigation Assets to the Applicants and their stakeholders.

Subject to approval of the Court being obtained to the above terms, pursuant to an Order in the form and content satisfactory to the parties, for consideration received, each of the undersigned agrees to the above as evidenced by their respective signatures this 25th day of March , 2008.

HOLLINGER INC., SUGRA LIMITED and

4322525 CANADA INC.

Per: ______________________

(I have authority to bind each of the corporations)

SUN TIMES MEDIA GROUP, INC.

Per: ______________________

Per: ______________________

(I/We have authority to bind the corporation)

Court File No. 07-CL-7120

DATE: April 24, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the "Eighteenth Communication") is to provide a weekly information update to all stakeholders, including:

   (a) The Applicants' actual receipts and disbursements for the two weeks ended April 11, 2008, attached as Schedule 1; and

   (b) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the period ended April 11, 2008, attached as Schedule 2.

TERMS OF REFERENCE

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

4. In preparing this Eighteenth 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 Eighteenth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to April 11, 2008 are $4.8 million.

CURRENT STATUS

7. On February 28, 2008 the Applicants, Davidson Kempner Capital Management LLC ("DK") and Sun Times Media Group ("STMG") each filed motions in this proceeding. Affidavits in support of each motion were served on March 18, 2008

8. On March 25, 2008 the Applicants and STMG announced that they had reached terms of a settlement.

9. On April 10, 2008 the Applicants filed a notice of motion seeking an Order (i) approving the terms of a settlement with STMG and authorizing and directing the implementation of the settlement, all as described in a term sheet dated March 25, 2008; (ii) authorizing the Applicants to take certain steps to restructure certain of their operations and management to further reduce costs and to continue to enhance asset realizations; and (iii) establishing a claims process as described in a draft Claims Order filed by the Applicants.

10. On Tuesday April 15, 2008 counsel for the Applicants, DK, STMG, the Indenture Trustees and certain others attended with the Monitor before Mr. Justice Campbell at a 9:30am appointment. His Honour has scheduled the motions described above to be heard Wednesday and Thursday, May 14 and 15, 2008 and established a schedule for the service of materials by all parties, completion of cross-examinations and the filing of facta. His Honour also indicated that he would be prepared to extend, on the same terms, the Stay Period, on the same terms, from April 25, 2008 through to a date after the motions are argued. A draft Order extending the Stay Period to May 30, 2008 has been approved by counsel for the Applicants, DK, STMG and the Indenture Trustees and has been sent by the Monitor to Justice Campbell to be issued, subject to His Honour's approval of same.

11. Affidavits have been exchanged and cross-examinations are scheduled to take place during the week of April 28, 2008 in accordance with the schedule set by Justice Campbell on April 15, 2008.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Actual Cash Flow for the period from March 29, 2008 to April 11, 2008

C$ 000s	Total Actual Cash Flow for the period from March 29 to April 11, 2008	
Opening Cash, ex. Funds in Trust	1,544	
Receipts		
Dividends	-	
Interest income	2	
Other	-	
Intercompany Accounts Receivable (Payable)	-	
Total receipts	2	
Disbursements		
Payroll & Benefits	(19)	
Directors Fees and Insurance	-	
Legal Fees	(37)	
Chapter 15 Legal Fees (US)	-	
CCAA Legal Fees (Canada)	(13)	
CCAA Monitor Fees	(37)	
Contractor Fees	(121)	
Advisors	(10)	
Interest on Senior Secured Notes	-	
Operating Costs related to building	-	
Taxes	-	
Other	(8)	
Foreign Exchange Adjustment	3	1
Total Disbursements	(241)	
Change in cash	(239)	
Closing cash, ex. Funds in Trust	1,305	

1) Foreign Exchange Adjustment relates to a foreign exchange adjustment on cash in the bank as a result of the appreciation of US Dollar relative to the Canadian Dollar during the period.

Summary of Legal Accruals
As at April 11, 2008
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to April 11, 2008	Total Revised "Bubble" at April 11, 2008	Total Revised "Bubble" as of April 11, 2008 **(excluding pre filing amounts)**	Total Revised "Bubble" as of February 22, 2008 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	155,022	211,292	106,509	317,801	261,531	186,963	74,568
CCAA Legal Fees	-	231,784	231,784	75,166	306,950	306,950	146,547	160,403
Chapter 15 Legal Fees	-	-	52,520	11,525	64,045	64,045	44,071	19,974
Overall Total	**56,270**	**386,806**	**495,596**	**193,200**	**688,796**	**632,526**	**377,581**	**254,945**

F/X **1.00**

The increase in the bubble represents the legal fees incurred from February 23 to April 11, 2008 less $0.6 million of payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the period ended April 11, 2008

Reverse Opening Balance (as of February 22, 2008) including pre-filing amounts	(433,851)
Cash Distributions for the period ended April 11, 2008	
Legal Fees	252,753
CCAA Legal Fees	195,432
Chapter 15 Legal Fees	104,568
Reduction (increase) in contingency	(23,177)
Add Closing Balance (as of April 11, 2008) including pre-filing amounts	688,796
Approximate Legal Fees incurred during the period ended April 11, 2008	784,521

Appendix G

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Actual Cash Flow for the period from August 1, 2007 to May 2, 2008

C$ 000s	Total Actual Cash Flow for the period from August 1, 2007 to February 22, 2008	Total Actual Cash Flow for the period from February 23, 2008 to May 2, 2008	Total Actual Cash Flow for the period from August 1, 2007 to May 2, 2008
Opening Cash, ex. Funds in Trust	**1,495**	**2,385**	**1,495**
Receipts			
Dividends	-	-	-
Interest income	41	18	59
Other	5,650	148	5,798
Intercompany Accounts Receivable (Payable)	4,846	-	4,846
Total receipts	**10,537**	**166**	**10,703**
Disbursements			
Payroll & Benefits	(274)	(116)	(389)
Directors Fees and Insurance	(591)	(82)	(674)
Legal Fees (including retainers)	(3,298)	(453)	(3,750)
Chapter 15 Legal Fees (US)	(783)	(159)	(941)
CCAA Legal Fees (Canada)	(1,551)	(437)	(1,988)
CCAA Monitor Fees	(741)	(194)	(935)
Contractor Fees	(861)	(323)	(1,184)
Advisors	(992)	(44)	(1,036)
Litigation Trust	-	-	-
Monitor re Claims Process	-	-	-
Monitor Counsel re Claims Process	-	-	-
Interest on Senior Secured Notes	-	-	-
Operating Costs related to building	(153)	(55)	(208)
Taxes	-	-	-
Other	(40)	(31)	(71)
Foreign Exchange	(364)	(21)	(385)
Total Disbursements	**(9,648)**	**(1,913)**	**(11,561)**
Change in cash	**889**	**(1,747)**	**(858)**
Closing cash, ex. Funds in Trust	**2,385**	**637**	**637**

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.

As at May 2, 2008, the cash balances at each of the Applicants and non-Applicants (with any cash) were as follows:

(Cdn Millions)	
Applicants	$ 0.6
Holcay	$ 0.0
Domgroup	$31.3
10 Toronto	$ 7.3