Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

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

THIRTIETH REPORT OF THE MONITOR

June 26, 2015

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

2. On April 30, 2015, the Court issued an Order extending the *CCAA* stay of proceedings until June 30, 2015 (the "**Stay Period**").

PURPOSE

3. The purpose of this Thirtieth Report of the Monitor (the "**Thirtieth Report**") is to provide this Court with information concerning the following:

(a) The Applicants' actual receipts and disbursements from April 25, 2015 through June 19, 2015 (the "**Reporting Period**") and their revised cash flow forecast through August 31, 2017 (the "**Revised Forecast)**;

(b) The Applicants' motion to obtain approval to pay certain amounts relating to additional sales tax owing on legal fees that have already been approved and paid for billings of Thornton Grout Finnigan LLP ("**TGF**") and Paliare Roland Rosenberg Rothstein LLP ("**PRRR**");

(c) The Applicants' motion to extend the stay of proceedings until and including August 31, 2017; and

(d) the Monitor's observations and commentary related to these items.

TERMS OF REFERENCE AND DISCLAIMER

4. In preparing this Thirtieth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, and discussions with management of the Applicants ("**Management**") (collectively, the "**Information**").

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

6. Future oriented financial information referred to in this Thirtieth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

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

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

9. Capitalized terms not defined in this Thirtieth Report are as defined in previous reports of the Monitor.

ACTUAL RECEIPTS AND DISBURSEMENTS OF THE APPLICANTS

10. Attached hereto as Appendix "**A**" is a summary of the actual receipts and disbursements of the Applicants on a consolidated basis during the Reporting Period.

11. Actual cash receipts for the Reporting Period totaled approximately $1,000, which is consistent with the forecast contained in the Twenty-Eighth Report of the Monitor dated April 29, 2015 (the "**Twenty-Ninth Report**").

12. Actual disbursements for the Reporting Period were approximately $329,000 compared to forecast disbursements of approximately $344,000.

13. Cash balances by legal entity as at June 19, 2015 are set out below:

	$CDN Millions
Applicants	$0.9
Domgroup	$0.1
Total	**$1.0**

14. Of the total of approximately $1.0 million above, approximately $450,000 is being held in reserve for claims that are not yet finally determined and the balance is held to effect the winding up of the estate. Any residual funds will be distributed at a future date once it is cost effective and practical to do so given the status of the estate.

REVISED CASH FLOW FORECAST

15. Attached as Appendix "**B**" to this Thirtieth Report is the Applicants' Revised Forecast for the period from June 20, 2015 through August 31, 2017 (the "**Forecast Period**"). The Revised Forecast has been prepared by the Applicants, using the probable and hypothetical assumptions set out in notes to the Revised Forecast (the "**Assumptions**") and is prepared on a monthly basis given the limited cash flow activity of the Applicants. The month of June, 2015 represents only the period from June 20 to June 30, 2015.

16. The Applicants' Revised Forecast estimates that during the Forecast Period, the Applicants will have receipts of approximately $3.576 million and total disbursements of approximately $597,000, not including distributions to creditors (but including the proposed payment in respect of sales tax, as set out below).

17. Forecast cash receipts reflect settlement proceeds to be received from Lord Conrad Black ("**Lord Black**") while disbursements represent those costs to wind down the estates and make payments to the Applicants' creditors. The Applicants' cash position at the commencement of the Forecast Period is approximately $0.9 million but will be augmented by cash held at Domgroup once that entity is wound up.

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

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

    (a) the Assumptions are not consistent with the purpose of the Revised Forecast;

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

(c) the Revised Forecast does not reflect the Assumptions made by the Applicants.

20. The Revised Forecast has been prepared solely for the purpose described in the Assumptions to the Revised Forecast and readers are cautioned that it may not be appropriate for other purposes.

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

MOTION IN RESPECT OF THE PAYMENT OF LEGAL FEES

22. On December 19, 2014, the Court issued an Order approving the payment of approximately $5.1 million in respect of a legal fee multiplier (the "**Fee Multiplier**") billed by TGF and PRRR, further details of which are included in the Twenty-Ninth Report. Given the timing of the legal services, certain of such services should have attracted Goods and Services Tax ("**GST**") while the remainder should have attracted Harmonized Sales Tax ("**HST**") at the time such services were provided.

23. The Monitor has been advised that, due to the timing of final invoice issuance, all such fees should have attracted HST rather than a split between GST and HST. As a result of this difference, the quantum of the Fee Multiplier should have been higher by $107,390.06. Such amount is entirely in respect of taxes payable to Canada Revenue Agency and was determined after the Applicants obtained an Order approving the payment of the Fee Multiplier to TGF and PRRR.

EXTENSION OF THE STAY OF PROCEEDINGS

24. Absent a further extension, the current stay pursuant to the CCAA is set to expire on June 30, 2015.

25. The remaining items to be completed in the Applicants' estates are limited and include the collection of settlement proceeds from Lord Black, the settlement of two claims from the Applicants' claims process, the winding up of Domgroup and final distributions to creditors.

26. Pursuant to his settlement agreement with the Applicants, the final payment from Lord Black is not scheduled to be received until August 2, 2017. As such, it will not be possible to wind up the Applicants' affairs prior to that date and the Applicants are seeking a long-term extension of the Stay Period to minimize costs related to court appearances.

27. In an attempt to minimize future costs, the Applicants have carried out a number of cost saving initiatives, including negotiating lower fees for the Chief Restructuring Officer, minimizing administrative costs by giving up office space that was no longer required and destroying records (after having received Court approval) to minimize future storage costs. As such, ongoing costs are projected to be lower than in prior periods.

28. The Monitor has been advised that the Applicants will be attempting to resolve the outstanding claims with one hearing scheduled for June 30, 2015 (relating to a clam for costs filed by Argus Corporation Limited and a number of related entities) and the other scheduled for August 14, 2015 (related to a superpriority claim for costs filed by Catalyst Capital Fund I, which claim has been denied superpriority status by the Ontario Court of Appeal). This leaves the distributions to creditors and the subsequent winding up of certain entities as the final steps in finalizing the administration of the Applicants' estates.

29. Given the limited number of tasks yet to be completed, the Applicants are seeking an extension of the stay of proceedings until August 31, 2017. During this time the Applicants, under the direction of the CRO, will continue their plans to wind up the non-

Applicants, resolve the two remaining claims currently outstanding against the Applicants, finalize a final wind-up strategy for the Applicants, and collect the proceeds of the settlement with Lord Black.

CONCLUSIONS AND RECOMMENDATIONS

30. Given that the error in calculating the taxes on the Fee Multiplier was entirely administrative in nature and no additional fees are payable to TGF and PRRR, the Monitor supports the proposed payment to correct the error.

31. The Monitor is of the view that the Applicants have acted, and continue to act, in good faith and with due diligence.

32. Given the current and forecast level of activity in the Applicants' estates, the expected timing of funds being paid to the Applicants and in order to facilitate the activities described herein, the Monitor recommends that the Stay Period be extended to August 31, 2017.

All of which is respectfully submitted this 26th day of June, 2015:

ERNST & YOUNG INC.

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

Per:

Brian M. Denega
Senior Vice President

Todd Ambachtsheer
Vice President

Appendix "A"

Actual receipts and disbursements

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the Forecast in the Twenty-Ninth Report

C$ 000s	Actual Results from April 25, 2015 to June 19, 2015	Forecast Results from April 25, 2015 to June 19, 2015	Variance
Opening Cash	**776**	**776**	-
Receipts	**1**	**-**	**1**
Total receipts	**1**	**-**	**1**
Disbursements			
General Corporate and Litigation Fees	(62)	(69)	7
Chapter 15 Legal Fees (US)			-
CCAA Legal Fees (Canada)	(11)	(26)	15
CCAA Monitor Fees	(71)	(76)	5
Contractor Fees	(147)	(147)	-
Finance, Tax Administration and Financial Advisor Fees	(8)	-	(8)
Operating Costs related to Premises	(30)	(27)	(3)
Total Disbursements	**(329)**	**(344)**	**15**
Net Cash Inflow / Outflow	**(328)**	**(344)**	**17**
Closing Cash Balance	**448**	**432**	**17**
Claim reserves	**450**	**450**	**-**

Appendix "B"

Revised forecast

Hollinger Inc., 4322525 Canada Inc.
and Sugra Limited, (Collectively the "Applicants")
Monthly Cash Flow Projection
From June 20, 2015 to August 31, 2017

Week ended	Notes	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	01-Jan-16	Feb-16
Beginning bank balance	1	448	492	307	1,792	1,761	1,730	1,699	1,667	1,656
Receipts	2	76	-	1,500	-	-	-	-	-	-
Disbursements										
General Corporate and Litigation Legal Fees	3	-	(147)	(20)	(10)	(10)	(10)	(10)	-	-
CCAA Monitor and Claims Officer Fees	4	-	(20)	(10)	(10)	(10)	(10)	(10)	-	-
Contractor Fees	5	-	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Finance,Tax Administration and Financial Advisor Fees	6	(32)	(2)	-	-	-	-	-	-	-
Operating Costs related to premises	7	(0)	(5)	27	-	-	-	-	-	-
Creditor distributions	8	-	-	-	-	-	-	-	-	-
Total disbursements		(32)	(185)	(14)	(31)	(31)	(31)	(31)	(11)	(11)
Net cash flow		44	(185)	1,486	(31)	(31)	(31)	(31)	(11)	(11)
Closing bank balance		492	307	1,792	1,761	1,730	1,699	1,667	1,656	1,645
Claim reserves	9	450	450	450	450	450	450	450	450	450

Hollinger Inc., 4322525 Canada Inc.
and Sugra Limited, (Collectively the "Applicants")
Monthly Cash Flow Projection
From June 20, 2015 to August 31, 2017

Week ended	**Mar-16**	**Apr-16**	**May-16**	**Jun-16**	**Jul-16**	**Aug-16**	**Sep-16**	**Oct-16**	**Nov-16**	**Dec-16**
Beginning bank balance	**1,645**	**1,633**	**1,622**	**1,611**	**1,599**	**1,588**	**2,570**	**2,559**	**2,547**	**2,536**
Receipts	**-**	**-**	**-**	**-**	**-**	**1,000**	**-**	**-**	**-**	**-**
Disbursements										
General Corporate and Litigation Legal Fees	-	-	-	-	-	(2)	-	-	-	-
CCAA Monitor and Claims Officer Fees	-	-	-	-	-	(5)	-	-	-	-
Contractor Fees	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
Finance,Tax Administration and Financial Advisor Fees	-	-	-	-	-	-	-	-	-	-
Operating Costs related to premises	-	-	-	-	-	-	-	-	-	-
Creditor distributions	-	-	-	-	-	-	-	-	-	-
Total disbursements	**(11)**	**(11)**	**(11)**	**(11)**	**(11)**	**(18)**	**(11)**	**(11)**	**(11)**	**(11)**
Net cash flow	(11)	(11)	(11)	(11)	(11)	982	(11)	(11)	(11)	(11)
Closing bank balance	**1,633**	**1,622**	**1,611**	**1,599**	**1,588**	**2,570**	**2,559**	**2,547**	**2,536**	**2,525**
Claim reserves	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**

Hollinger Inc., 4322525 Canada Inc.
and Sugra Limited, (Collectively the "Applicants")
Monthly Cash Flow Projection
From June 20, 2015 to August 31, 2017

Week ended	**Jan-17**	**Feb-17**	**Mar-17**	**Apr-17**	**May-17**	**Jun-17**	**Jul-17**	**Aug-17**	**Total**
Beginning bank balance	**2,525**	**2,513**	**2,502**	**2,491**	**2,479**	**2,468**	**2,457**	**3,439**	**448**
Receipts	**-**	**-**	**-**	**-**	**-**	**-**	**1,000**	**-**	**3,576**
Disbursements									
General Corporate and Litigation Legal Fees	-	-	-	-	-	-	(2)	-	**(211)**
CCAA Monitor and Claims Officer Fees	-	-	-	-	-	-	(5)	-	**(80)**
Contractor Fees	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	**(294)**
Finance,Tax Administration and Financial Advisor Fees	-	-	-	-	-	-	-	-	**(34)**
Operating Costs related to premises	-	-	-	-	-	-	-	-	**22**
Creditor distributions	-	-	-	-	-	-	-	-	**-**
Total disbursements	**(11)**	**(11)**	**(11)**	**(11)**	**(11)**	**(11)**	**(18)**	**(11)**	**(597)**
Net cash flow	(11)	(11)	(11)	(11)	(11)	(11)	982	(11)	**2,979**
Closing bank balance	**2,513**	**2,502**	**2,491**	**2,479**	**2,468**	**2,457**	**3,439**	**3,427**	**3,427**
Claim reserves	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited, (collectively the "Applicants")
Cash Flow Projection for the period from June 20, 2015 to August 31, 2017
Notes and Assumptions

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

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

1. The Opening Cash Balance is shown in thousands of Canadian dollars.
2. Receipts represent intercompany transfers from Domgroup and proceeds received from Lord Black subject to a settlement agreement.
3. General corporate and litigation legal fees represent estimated fees on account of general corporate and litigation services.
4. CCAA Monitor & Counsel Fees reflect each of the estimated fees of the Monitor and its counsel associated with the CCAA process.
5. Contractor Fees represent fees payable to the Chief Restructuring Officer pursuant to the Multi-Party Settlement Agreement, as amended by Order of the Court.
6. Finance, Tax Administration and Financial Advisor Fees represent payments to various professionals.
7. Operating Costs re premises represent Hollinger Inc.'s portion of shared costs with Non-Applicants for leases and operating costs associated with the Wellington street storage location and the First Canadian Place offices. Also included is the receipt of a security deposit.
8. Although not currently forecast, it is anticipated that interim distributions will be made as appropriate.
9. Amounts reserved for disputed claims.