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

TWELFTH REPORT OF THE MONITOR
November 4, 2009

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

   (a) The Applicants' actual cash receipts and disbursements;

   (b) The Applicants' revised cash flow projections, including authorization of priority distributions pursuant to the Multi-Party Settlement Agreement;

   (c) The Applicants' request for an extension of the Stay Period;

   (d) Update on the Fourth Excess Layer of Directors' and Officers' Insurance;

(e) An update on the Applicants' and Non-Applicants' Claims Processes;

(f) The Applicants' and Non-Applicants' proposed modifications to the Claims Orders;

(g) The status of the discussions with Representative Counsel with respect to the settlement of certain of Domgroup's liabilities; and

(h) The Monitor's conclusions and recommendations.

TERMS OF REFERENCE

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

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

THE APPLICANTS' ACTUAL CASH RECEIPTS AND DISBURSEMENTS

5. A summary of the Applicants' actual receipts and disbursements for the period from May 2, 2009 to October 16, 2009 compared to their projections filed with this Honourable Court with the Eleventh Report is attached as Appendix "A" hereto. In total, the Applicants have expended $0.5 million less cash than projected during the period ended

October 16, 2009, largely due to the deferral of legal fees, which is expected to reverse in the future.

6. As at October 16, 2009, the cash balances of each of the Applicants, excluding the amounts held in trust by Aird & Berlis for the officers' indemnity trust, and the principal non-Applicants (with material amounts of cash), excluding the Domgroup Post Retirement Benefits Trust, were as follows:

	(Millions)
Applicants	$ 4.2
Domgroup	$23.5
10 Toronto	$4.2

THE APPLICANTS' REVISED CASH FLOW PROJECTIONS

7. Attached as Appendix "B" is an updated cash flow projection for the period from October 17, 2009 to May 28, 2010 (the "Projection Period") prepared based on information from the Applicants.

8. The Applicants are projecting total receipts of approximately $2.5 million, consisting primarily of a $2.5 million repayment of intercompany debt from 10 Toronto and total cash disbursements of approximately $4.5 million, resulting in a net decrease in cash of approximately $2.0 million over the Projection Period. The Applicants and Non-Applicants continue to incur costs associated with the retention and storage of documents related to the period of inspection under the supervision of the court-appointed Inspector (the "Inspector"). As the wind-up of the Applicants and Non-Applicants continues, it may be advisable for the Applicants, in consultation with the Inspector, to determine if certain restrictions on the destruction of documents may be modified.

9. As previously reported, the Applicants indicated that 10 Toronto had committed to repay on an "as needed" basis up to $7.8 million of intercompany amounts owed to Hollinger. The total intercompany repayments from 10 Toronto to Hollinger from August 1, 2007 to October 16, 2009 were approximately $7.8 million.

10. As described in the Seventh Report of the Monitor, the books of account of 10 Toronto and the Applicants indicate that 10 Toronto owes the Applicants a remaining amount of approximately $2.5 million. As described in the report filed by the Chief Restructuring Officer of the Applicants and Non-Applicants, dated November 4, 2009 (the "CRO Report"), based on the books of accounts and the claims filed in the Non-Applicant Claims Process, 10 Toronto has sufficient funds to pay all potential third party claims in full, after disallowing the claim by the Ravelston Corporation Limited discussed later in this Report, and to make a partial repayment of intercompany debt totalling $2.5 million. Subject to the approval of this Honourable Court and the Board of Directors of 10 Toronto, 10 Toronto has agreed repay up to $2.5 million of the amounts currently owed to the Applicants.

11. As previously reported, the Applicants indicated that Domgroup had committed to repay on an "as needed" basis a portion of the $16.7 million of intercompany amounts owed to Hollinger as of March 31, 2008. Intercompany repayments from Domgroup to Hollinger from April 1, 2008 to October 17, 2009 total approximately $8.7 million.

12. The Multi-Party Settlement Agreement approved by Order of this Honourable Court on May 21, 2008 allows for the following payments to be made in priority to distributions to creditors, subject to both a total cap of $4.5 million and appropriate reserves:

    (a) a transaction fee to DK of $1.5 million;

    (b) reasonable legal fees and disbursements of the Indenture Trustees up to and including Court approval; and

    (c) reasonable legal fees and disbursements of DK up to and including Court approval.

13. With respect to the reasonable legal fees of the Indenture Trustee and DK. by virtue of the fact that the associated dockets contain privileged information concerning the fees and activities of the parties' counsel, the CRO of the Applicants requested that the Monitor perform a review of the legal fees and disbursements. The Monitor's procedures consisted of reviewing the invoices and supporting dockets rendered up to and including Court Approval of the Multi-Party Settlement Agreement on May 21, 2008. The Monitor

did not interview counsel involved, nor did the Monitor review the relevant work product. After reviewing the invoices and supporting dockets, the Monitor determined that the hours claimed appeared to have been expended in respect of this matter and that the fees and disbursements were expended in the pursuit of the representation of the respective clients. The Multi-Party Settlement Agreement does not articulate the timing of the priority distributions set out above. In order to fund the priority distributions from the Applicants, it is necessary to transfer cash from the Non-Applicants to the Applicants.

14. Based on the information contained in the CRO Report, including information that there is sufficient cash to pay all third party creditors in full and that 10 Toronto has obtained clearance certificates from Canada Revenue Agency for the period up to January 26, 2009, it appears that there should be no prejudice to the stakeholders of 10 Toronto if it makes the proposed \$2.5 million distribution to the Applicants as partial repayment of intercompany debt.

15. The Monitor understands that the repayment of intercompany debt and the steps proposed to be taken by the CRO are in accordance with the Multi-Party Settlement Agreement.

16. Upon receipt of the \$2.5 million repayment from the Non-Applicants and subject to approval by this Honourable Court, the Applicants will use the funds to make a partial priority distribution as contemplated in the Multi-Party Settlement Agreement. The Applicants' attached cash flow projections include these \$2.5 million of priority distributions during the Projection Period.

17. In recent discussions with representatives and counsel for Catalyst Capital Fund I ("Catalyst"), an assertion was made by Catalyst that its claim of \$1,988,388 is a super-priority claim. A claim was filed with the Monitor in the Applicants' Claims Process by Catalyst as an unsecured claim against Hollinger. The Monitor and CRO asked for a written submission to explain the basis for the recent assertion of a super-priority claim. Neither the Monitor nor the CRO have received any submission to date. No determination has been made by the Monitor as to the applicability of the super-priority claim.

18. The Applicants have advised that they intend to bring a motion before this Honourable Court to seek advice and directions regarding the purported super-priority claim, including, if required, a determination of the priority of the Catalyst claim.

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

19. The Applicants seek an extension of the Stay Period for a period of six months to May 28, 2010 in order to permit them to continue to implement the Claims Order, the Non-Applicant Claims Order and the Approval Order, including the Multi-Party Settlement Agreement, and to pursue the Litigation Assets through the Litigation Trust, as a basis upon which to bring forward a plan or plans of arrangement for consideration by all of the Applicants' stakeholders. The Monitor is of the view that in seeking the extension of the Stay Period for the purposes noted above the Applicants are acting in good faith and with due diligence.

UPDATE ON THE FOURTH EXCESS LAYER OF D&O INSURANCE

20. In 2002, a group of insurance underwriters sold insurance policies to STMG, Hollinger, and Ravelston. The policies provided entity coverage for STMG, Hollinger Inc., and Ravelston, as well as individual coverage for their officers and directors. Under an insurance settlement agreement, approved by this Honourable Court, these underwriters agreed to pay $24.5 million into escrow in return for an agreement that their policies were exhausted and no more claims would be brought against the underwriters.

21. In order to determine what, if any, third parties are beneficiaries and are entitled to share in $24.5 million of insurance settlement proceeds, an interpleader action has been commenced in Delaware Superior Court. The named interpleader defendants, including STMG, Hollinger and a number of their former directors, officers and/or employees, are parties to the insurance settlement agreement and potential claimants to the funds held in escrow. In addition, there may be other individuals who are potential claimants who, it is

contemplated, will be notified of the interpleader proceeding and provided with an opportunity to submit claims.

22. Pursuant to the Multi-Party Settlement Agreement, STMG and Hollinger will cooperate to maximize the recoverable portion of the insurance settlement proceeds payable to them and such proceeds shall be allocated so that STMG receives 85 percent of such proceeds and Hollinger receives 15 percent of such proceeds. The Monitor understands from the Applicants that at this time it is premature to speculate on what, if any, proceeds may be available to the Applicants as a result of these proceedings.

THE APPLICANTS' CLAIMS PROCESS

23. By Order of this Honourable Court dated May 21, 2008, the Monitor was authorized to conduct a claims process for the Applicants (the "Applicants' Claims Process"). Among other things, the Claims Order established July 11, 2008 as the Claims Bar Date with respect to claims arising prior to August 1, 2007 or after that date if as a result of the restructuring, repudiation or termination of any contract, lease or employment agreement.

24. Forty-eight claims (including inter-company claims) were received either on or just before the Claims Bar Date. Three additional claims were received after the Claims Bar Date, which were accepted for filing. The table below shows the total number of claims that have been filed against each Applicant.

Applicant	Number of Claims Received
Hollinger	34
Sugra	7
4322525	10
Total	51

25. The Monitor has issued 11 Notices of Revision or Disallowance with respect to the above claims and to date, there are no outstanding Notices of Dispute. In addition, four claims have been consensually withdrawn by the Creditors who filed them.

26. The Applicants and the Monitor are continuing to review the claims. Both the Applicants and the Monitor believe that there are significant claims that require continuing careful examination with the assistance of the Applicants that may be allowed, revised or disallowed in due course. In some cases, significant claims are connected to the ongoing litigation involving the Applicants and others and cannot be dealt with in isolation. The Applicants and the Monitor have updated key stakeholders as recently as October 29, 2009 as to the progress of the Applicants' Claims Process as contemplated under the Multi-Party Settlement Agreement approved by this Honourable Court.

27. Pursuant to the Applicants' Claim Process, any Proof of Claim received by the Monitor from a Non Arms-Length Claimant prior to the Applicants' Claims Bar Date is to be referred to this Honourable Court for determination on a summary basis. The Applicants continue to review the claims received to determine what, if any, inter-related issues may exist between the claims process and the pursuit of the Litigation Assets, in order to move both processes forward in the most efficient and cost-effective manner. The Applicants continue to analyze the Non Arms-Length Claims, their effect on each other and their effect on the pursuit of the Litigation Assets. The Applicants are proposing modifications to the Claims Procedure Order as discussed in more detail later in this Report.

NON-APPLICANTS' CLAIMS PROCESS UPDATE

28. By Order of this Honourable Court dated August 27, 2008, the Monitor was authorized to conduct a claims process for the Non-Applicants (the "Non-Applicants' Claims Process"). Among other things, the Non-Applicant Claims Order established September 30, 2008 as the Claims Bar Date.

29. Thirty-six claims (excluding inter-company claims) were received either on or just before the Claims Bar Date. Four additional claims were received after the Claims Bar Date, including the claim filed by Representative Counsel that were accepted for filing as

discussed in more detail below. The table below shows the total number of claims that have been filed against each Non-Applicant.

Non-Applicant	**Number of Claims Received**
Domgroup	32
10 Toronto Street	8
Willett Foods	0
Holcay Holdings	0
Total	40

30. The Monitor has issued 6 Notices of Revision or Disallowance with respect to the above claims and has received 4 Notices of Dispute. Based on its initial review of the claims submitted, the Monitor believes that there are significant claims that require further examination with the assistance of the Non-Applicants that may be allowed, revised or disallowed in due course.

31. Eighteen of the claims that were filed against Domgroup relate to claims by former employees of Dominion Stores relating to their post-retirement dental and health benefit plans, long term disability entitlements, pension top-up obligations and life insurance. These claimants had previously been required to file proofs of claim under the Non-Applicant Claims Order.

32. As approved by Order of this Honourable Court dated November 26, 2008, Koskie Minsky LLP was appointed Representative Counsel for these claimants. On February 27, 2009, Representative Counsel filed a new claim against Domgroup on behalf of all claimants, and withdrew 17 of the 18 claims that had been filed by individuals. An update on the status of the claim filed by Representative Counsel is contained in paragraphs 41 to 43 of this Report.

33. The Non-Applicants and the Monitor have updated key stakeholders as to the progress of the Non-Applicants' Claims Process as recently as October 29, 2009 as contemplated under the Multi-Party Settlement Agreement approved by this Honourable Court.

34. Crystalline Investments Limited ("Crystalline") and Burnac Leaseholds Limited ("Burnac") have filed claims against Domgroup totalling approximately $2.7 million relating to former real estate property leases held by Domgroup. The Monitor in consultation with the CRO, issued Notices of Disallowance reducing the claims to nil. Both Burnac and Crystalline filed Notices of Dispute. Given the size of these two claims, the Non-Applicants, in consultation with both the Monitor and its key stakeholders, have decided to seek to refer these claims to this Honourable Court for determination pursuant to the provisions of the Non-Applicants Claims Process.

PROPOSED MODIFICATIONS TO THE APPLICANTS' AND NON-APPLICANTS' CLAIMS ORDERS

35. In connection with the administration of both the Applicants' and the Non-Applicants' Claims Processes (the "Claims Processes") there are a number of amendments that both the Applicants and Non-Applicants seek either to expedite the resolution of the claims or provide a more streamlined administration of the Claims Processes. These include: (i) allowing for the designation of additional Claims Officers with the consent of the Monitor; and (ii) modifying the procedure for determining any claim by a Non Arms-Length Claimant, if determined advisable.

36. David E. Baird Q.C. was appointed as the sole Claims Officer of both the Applicants and the Non-Applicants pursuant to Orders of this Honourable Court. The Applicants and the Non-Applicants seek to amend both of the Claims Processes to allow for the appointment of additional Claims Officers by the Applicants or Non-Applicants with the consent of the Monitor without having to obtain a further Court Order. This will allow for the timely appointment of individuals if deemed necessary and appropriate in order to expeditiously resolve claims and move the Claims Processes forward.

37. In addition, the Applicants and the Non-Applicants seek to amend the Claims Processes to allow for the determination of any Non Arms-Length Claimant's Claim by the Applicants or Non-Applicants, if determined advisable and in consultation with the Monitor.

38. For example, the Applicants and Non-Applicants seek to determine the claims of Ravelston Management Inc. ("RMI"), Ravelston Corporation Limited ("RCL"), Argus Corporation Limited ("Argus") and certain subsidiaries (collectively the "Ravelston Group"). A bankruptcy order was issued on December 3, 2008 against RCL and on October 5, 2009 against RMI. Both RCL and RMI are no longer operating, have no assets and there is no likelihood of Hollinger recovering any sums from either of RCL or RMI. The Ravelston Group has collectively filed claims against the Applicants and the Non-Applicants to preserve any set-off, reimbursement, contribution, indemnity, costs and other relief.

39. Pursuant to both the Applicants and Non-Applicants Claims Procedure Orders, the Ravelston Group is considered a Non Arms-Length Creditor. Under the current Claims Processes, these claims must proceed directly to Court for determination without any ability by the Applicants or the Non-Applicants, in consultation with the Monitor, to determine if at first instance a Notice of Revision or Disallowance would be more advisable rather than proceeding directly to Court.

40. The Applicants and Non-Applicants seek to amend both the Applicants' and Non-Applicants' Claims Procedure Orders to allow a Notice of Revision or Disallowance to be sent by the Monitor when, in consultation with the Applicants, it is determined that the process would be more expedient than proceeding to Court for a summary determination by the Supervising Judge, such as in the case of the Ravelston Group claims. If a party dealt with in this manner then files a Notice of Dispute, the Monitor believes that the claim should then be referred to this Honourable Court for determination in accordance with the existing provisions for the Non Arms-Length procedures.

THE STATUS OF THE DISCUSSIONS WITH REPRESENTATIVE COUNSEL

41. On February 27, 2009, Representative Counsel filed a new claim against Domgroup on behalf of all former employee and retiree claimants of Domgroup in the Non-Applicants' Claims Process relating to their post-retirement dental and health benefit plans, long term disability entitlements, pension top-up obligations and life insurance. The Non-Applicant and the Monitor are reviewing this complex claim.

42. The Monitor has attended several meetings between Domgroup and Representative Counsel along with their respective actuaries since the Eleventh Report. There are numerous issues to be resolved between Domgroup and Representative Counsel's various constituent groups. The Monitor attended a meeting between the Non-Applicants and Representative Counsel on November 3, 2009 where the parties continued their discussions regarding achieving a consensual settlement. Further follow up meetings are scheduled in the coming weeks as the parties continue their negotiations.

43. The Monitor has observed good faith efforts by both parties to resolve the actuarial differences and the settlement mechanism. In order to accelerate the negotiations, Representative Counsel and the Non-Applicants have established an estimated timetable for the resolution of the Representative Counsel's Claim filed on February 27, 2009 which is set out in Schedule A to this report. If a resolution cannot be achieved, then it may be necessary to have the matter mediated by the Court, which it is estimated would extend the timetable by approximately two months. Other issues may also extend the timetable if required or deemed necessary including, but not limited to, obtaining an advance tax ruling from CRA and the possible winding up of the Domgroup Post Retirement Benefit Trust. The Monitor believes that a concerted effort will be required by both parties in order to achieve the milestones in the proposed timeline of having cheques mailed to beneficiaries by May 20, 2010.

MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

44. The Monitor understands that the Non-Applicants need to ascertain the quantum of all claims that may be made against them in order to repay *bona fide* third party claims and effect a wind-up or liquidation of the Non-Applicants as contemplated by the Multi-Party Settlement Agreement.

45. The CRO has reported that the books of account and results to date in the Non-Applicant Claims Process indicate that 10 Toronto has sufficient funds to make an interim $2.5 million distribution on account of intercompany indebtedness owed to the Applicants.

46. The Non-Applicants' and Applicants' proposed motion to approve the $2.5 million repayment from 10 Toronto and subsequent priority distribution from the Applicants pursuant to the Multi-Party Settlement Agreement represents a positive step forward in transferring cash from the Non-Applicants to the Applicants and providing some recovery to certain large creditors.

47. The Catalyst claim for super-priority has not been formally articulated or determined. The Monitor is of the view that if Catalyst takes the position that it has a super-priority claim over the funds in 10 Toronto that are the subject of the Applicants' and the Non-Applicants' pending motion, then the status of the claim should be considered in the context of the proposed distribution. The Applicants have advised that they intend to bring a motion before this Honourable Court to seek advice and directions regarding the purported super-priority claim, including, if required, determination of the priority of the Catalyst claim.

48. The proposed amendments to both the Applicant and Non-Applicant Claims Procedure Orders will enable the estates to move forward and resolve the claims that have been filed.

49. The Applicants and their major creditors continue to have discussions regarding the most effective way to wind up the Non-Applicants and return surplus assets to the Applicants.

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

(a) extending the Stay Period to May 28, 2010;

(b) authorizing the $2.5 million payment from 10 Toronto and subsequent priority distribution from the Applicants pursuant to the Multi-Party Settlement Agreement subject to this Honourable Court's determination of the validity of the super priority claim asserted by Catalyst, if necessary;

(c) authorizing Domgroup to have the claims of Crystalline and Burnac determined by the Supervising Judge; and

(d) amending the Applicants' and the Non-Applicants' Claims Procedures Orders to allow for the Monitor to issue Notices of Revision or Disallowance to certain Non Arms-Length Creditors and allow the Applicants and the Non-Applicants, with the consent of the Monitor, to appoint additional Claims Officers without the need to return before this Honourable Court.

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 M. Denega
Senior Vice President

Schedule A
Timetable for Resolution of Representative Counsel's Claim filed on February 27, 2009

Representative Counsel and the Non-Applicants have established the following timetable for the resolution of the Representative Counsel's Claim filed on February 27, 2009:

1) Meeting with Rep Counsel, CRO and Monitor to discuss roll forward mechanism, claw back to ensure no windfalls and settlement mechanism to be scheduled on November 3 2009.

2) Any resolution of: (i) any remaining actuarial issues; (ii) roll forward mechanism; (iii) claw back to ensure no windfalls; and (iv) settlement mechanism by January 31, 2010.

3) If resolution cannot be achieved, then it may be necessary to have the matter mediated by the Court, which it is estimated would extend the timetable by approximately one to two months.

4) Rep Counsel to send out notice to beneficiaries setting out terms of settlement reached in respect of the Claim and an approximate claim amount indicating that the amount will decrease to account for coverage received to distribution date by February 28, 2010.

5) Beneficiaries would have 45 days to contact Rep Counsel to object to settlement failing which Rep Counsel would proceed to settle the Claim on the basis set out in the notice on April 15, 2010.

6) Any objections will be attempted to be settled or directions will be sought by the Court.

7) Final court approval of settlement of Rep Counsel claim (including obtaining approval of form of notice to be sent to beneficiaries setting out amount of individual claim and resulting payment) would be sought by April 30, 2010.

8) Rep Counsel to send out final notice to beneficiaries setting out amount of individual claim and resulting payment by May 5, 2010.

9) Cheques to be mailed to beneficiaries by May 20, 2010.

APPENDIX A

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the May 21, 2009 Cash Flow Projection

C$ 000s	Projected Results from May 2 to October 16, 2009	Actual Results from May 2 to October 16, 2009	Variance	Notes
Opening Cash, ex. Funds in Trust	**5,488**	**5,488**		
Receipts				
Proceeds on sales of property	-	-	-	
Interest income	94	88	(6)	
Other	-	0	0	
Intercompany Accounts Receivable - 10 Toronto	-	-	-	
Intercompany Accounts Receivable - Domgroup	-	-	-	
Total receipts	**94**	**89**	**(6)**	
Disbursements				
Legal Fees	(745)	(412)	334	Note 1
Chapter 15 Legal Fees (US)	(2)	-	2	
CCAA Legal Fees (Canada)	(404)	(242)	162	Note 1
CCAA Monitor and Claims Officer Fees	(111)	(23)	88	Note 1
Contractor Fees	(341)	(341)	-	
Finance, Tax Administration and Financial Advisor Fees	(224)	(241)	(17)	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to premises	(49)	(54)	(4)	
Taxes	-	(3)	(3)	
Other	(0)	(0)	-	
Settlement Payments	-	-	-	
Foreign Exchange	(4)	(26)	(21)	
Total Disbursements	**(1,882)**	**(1,342)**	**540**	
Net Cash Inflow / Outflow	**(1,787)**	**(1,253)**	**534**	
Closing Cash Balance	**3,700**	**4,235**	**534**	

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

1) Actual disbursements for Legal Fees, CCAA Legal Fees (Canada) and CCAA Monitor and Claims Officer Fees were lower than projected. The difference represents a timing difference from the projection, which is expected to reverse over future periods.

APPENDIX B

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from October 17, 2009 to May 28, 2010

Projection for the Week Ending		2009	2009	2009	2009	2009	2009	2009	2009
		1	2	3	4	5	6	7	8
		Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday
C$ 000s	**Notes**	**23-Oct**	**30-Oct**	**06-Nov**	**13-Nov**	**20-Nov**	**27-Nov**	**04-Dec**	**11-Dec**
Opening Cash Balance	1	4,235	4,164	4,154	3,970	3,949	3,929	3,908	3,731
Receipts									
Interest income	2	-	-	2	-	-	-	2	-
Other		-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto	3	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup		-	-	-	-	-	-	-	-
Total receipts		-	-	2	-	-	-	2	-
Disbursements									
Legal Fees	4	(74)	(10)	(34)	(13)	(13)	(13)	(34)	(13)
Chapter 15 Legal Fees (US)	5	-	-	(3)	-	-	-	(1)	-
CCAA Legal Fees (Canada)	6	-	-	(8)	(8)	(8)	(8)	(8)	(8)
CCAA Monitor and Claims Officer Fees	7	-	-	(20)	-	-	-	(15)	-
Contractor Fees	8	-	-	(68)	-	-	-	(68)	-
Finance, Tax Administration and Financial Advisor Fees	9	-	-	(40)	-	-	-	(40)	-
Interest on Senior Secured Notes	10	-	-	-	-	-	-	-	-
Operating Costs related to premises	11	3		(11)	-	-	-	(11)	-
Taxes	12	-	-	-	-	-	-	-	-
Other	13	-	-	(1)	-	-	-	(1)	-
Settlement Payments	14	-	-	-	-	-	-	-	-
Foreign Exchange	15	-	-	-	-	-	-	-	-
Total Disbursements		(72)	(10)	(185)	(21)	(21)	(21)	(178)	(21)
Net Cash Inflow / Outflow		(72)	(10)	(183)	(21)	(21)	(21)	(177)	(21)
Closing Cash Balance		4,164	4,154	3,970	3,949	3,929	3,908	3,731	3,710

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

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from October 17, 2009 to May 28, 2010

Projection for the Week Ending		2009	2009	2010	2010	2010	2010	2010	2010
		9	10	11	12	13	14	15	16
		Friday	Friday	Friday	Friday	Friday	Friday	Friday	Friday
C$ 000s	**Notes**	18-Dec	25-Dec	01-Jan	08-Jan	15-Jan	22-Jan	29-Jan	05-Feb
Opening Cash Balance	1	3,710	3,689	3,668	3,502	3,481	3,461	3,440	3,419
Receipts									
Interest income	2	-	-	2	-	-	-	-	1
Other		-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto	3	2,500	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup		-	-	-	-	-	-	-	-
Total receipts		2,500	-	2	-	-	-	-	1
Disbursements									
Legal Fees	4	(13)	(13)	(34)	(13)	(13)	(13)	(13)	(58)
Chapter 15 Legal Fees (US)	5	-	-	(1)	-	-	-	-	(1)
CCAA Legal Fees (Canada)	6	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(14)
CCAA Monitor and Claims Officer Fees	7	-	-	(15)	-	-	-	-	(15)
Contractor Fees	8	-	-	(68)	-	-	-	-	(68)
Finance, Tax Administration and Financial Advisor Fees	9	-	-	(30)	-	-	-	-	(30)
Interest on Senior Secured Notes	10	-	-	-	-	-	-	-	-
Operating Costs related to premises	11	-	-	(11)	-	-	-	-	(11)
Taxes	12	-	-	-					
Other	13	-	-	(1)	-	-	-	-	(1)
Settlement Payments	14	(2,500)	-	-	-	-	-	-	-
Foreign Exchange	15	-	-	-	-	-	-	-	-
Total Disbursements		(2,521)	(21)	(167)	(21)	(21)	(21)	(21)	(198)
Net Cash Inflow / Outflow		(21)	(21)	(166)	(21)	(21)	(21)	(21)	(196)
Closing Cash Balance		3,689	3,668	3,502	3,481	3,461	3,440	3,419	3,222

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

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from October 17, 2009 to May 28, 2010

Projection for the Week Ending		**2010**	**2010**	**2010**	**2010**	**2010**	**2010**	**2010**	**2010**
		17	**18**	**19**	**20**	**21**	**22**	**23**	**24**
		Friday	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**	**Friday**
C$ 000s	**Notes**	**12-Feb**	**19-Feb**	**26-Feb**	**05-Mar**	**12-Mar**	**19-Mar**	**26-Mar**	**02-Apr**
Opening Cash Balance	1	**3,222**	**3,192**	**3,162**	**3,131**	**2,935**	**2,905**	**2,874**	**2,844**
Receipts									
Interest income	2	-	-	-	1	-	-	-	1
Other		-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto	3	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup		-	-	-	-	-	-	-	-
Total receipts		**-**	**-**	**-**	**1**	**-**	**-**	**-**	**1**
Disbursements									
Legal Fees	4	(16)	(16)	(16)	(58)	(16)	(16)	(16)	(58)
Chapter 15 Legal Fees (US)	5	-	-	-	(1)	-	-	-	(1)
CCAA Legal Fees (Canada)	6	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
CCAA Monitor and Claims Officer Fees	7	-	-	-	(15)	-	-	-	(15)
Contractor Fees	8	-	-	-	(68)	-	-	-	(68)
Finance, Tax Administration and Financial Advisor Fees	9	-	-	-	(30)	-	-	-	(30)
Interest on Senior Secured Notes	10	-	-	-	-	-	-	-	-
Operating Costs related to premises	11	-	-	-	(11)	-	-	-	(11)
Taxes	12								
Other	13	-	-	-	(1)	-	-	-	(1)
Settlement Payments	14	-	-	-	-	-	-	-	-
Foreign Exchange	15	-	-	-	-	-	-	-	-
Total Disbursements		(30)	(30)	(30)	(198)	(30)	(30)	(30)	(198)
Net Cash Inflow / Outflow		(30)	(30)	(30)	(196)	(30)	(30)	(30)	(197)
Closing Cash Balance		3,192	3,162	3,131	2,935	2,905	2,874	2,844	2,647

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

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited,
(collectively the "Applicants")
Weekly Cash Flow Projection
For the Period from October 17, 2009 to May 28, 2010

Projection for the Week Ending *C$ 000s*	Notes	2010 25 Friday 09-Apr	2010 26 Friday 16-Apr	2010 27 Friday 23-Apr	2010 28 Friday 30-Apr	2010 29 Friday 07-May	2010 30 Friday 14-May	2010 31 Friday 21-May	2010 32 Friday 28-May
Opening Cash Balance	1	2,647	2,617	2,587	2,557	2,526	2,331	2,300	2,270
Receipts									
Interest income	2	-	-	-	-	1	-	-	-
Other		-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - 10 Toronto	3	-	-	-	-	-	-	-	-
Intercompany Accounts Receivable - Domgroup		-	-	-	-	-	-	-	-
Total receipts		-	-	-	-	1	-	-	-
Disbursements									
Legal Fees	4	(16)	(16)	(16)	(16)	(58)	(16)	(16)	(16)
Chapter 15 Legal Fees (US)	5	-	-	-	-	(1)	-	-	-
CCAA Legal Fees (Canada)	6	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
CCAA Monitor and Claims Officer Fees	7	-	-	-	-	(15)	-	-	-
Contractor Fees	8	-	-	-	-	(68)	-	-	-
Finance, Tax Administration and Financial Advisor Fees	9	-	-	-	-	(30)	-	-	-
Interest on Senior Secured Notes	10	-	-	-	-	-	-	-	-
Operating Costs related to premises	11	-	-	-	-	(11)	-	-	-
Taxes	12								
Other	13	-	-	-	-	-	-	-	-
Settlement Payments	14	-	-	-	-	-	-	-	-
Foreign Exchange	15	-	-	-	-	-	-	-	-
Total Disbursements		(30)	(30)	(30)	(30)	(197)	(30)	(30)	(30)
Net Cash Inflow / Outflow		(30)	(30)	(30)	(30)	(196)	(30)	(30)	(30)
Closing Cash Balance		2,617	2,587	2,557	2,526	2,331	2,300	2,270	2,240

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

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited, (collectively the "Applicants")
Cash Flow Projection
Notes and Assumptions

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

These projections are based on information from the Applicants which has not been audited, reviewed or otherwise verified.
This is not a projection or forecast under section 4250 of the CICA Handbook.
The actual timing and amount of the cash flows may fluctuate from the estimates shown herein and these fluctuations may be material.

Foreign Exchange Rate (US Dollars to Canadian Dollars) used for this projection is **1.10**

1) The Cash balance is shown in thousands of Canadian dollars and excludes the amounts held in trust by Aird & Berlis for the officers' indemnity trust.

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

3) Intercompany accounts receivable consist of intercompany repayments from 10 Toronto Street Inc. ("10 Toronto") a wholly owned subsidiaries of Hollinger Inc.
The Applicants advise that 10 Toronto owed the Applicants approximately $2.5 million as of September 30, 2009. Subject to court approval and approval of its board of directors, 10 Toronto has agreed to repay the amounts owing to the Applicants during the period.

4) Legal fees represent payment on account of general corporate and litigation services.

5) Chapter 15 Legal Fees reflect the estimated legal fees associated with a Chapter 15 filing and certain other US legal issues.

6) CCAA Legal Fees reflect the estimated legal fees of both the Company's and Monitor's respective counsel but excludes the costs related to the CCAA claim process, which are shown separately.

7) CCAA Monitor Fees & Claims Officer re Claims Process reflect the estimated Monitor fees associated with a CCAA filing and the fees of the Claim Officer associated with a CCAA claims process.

8) Contractor Fees represent fees paid to the Chief Restructuring Officer for services rendered.

9) Finance, Tax Administration and Financial Advisor Fees represent payments to various professionals including the transfer agent.

10) Interest on Senior Secured Notes of approximately US $6.0 million is payable twice a year in March and September.
The projection assumes that these payments will not be made in accordance with the Multi-Party Settlement and the May 21, 2008 Court Order.

11) Operating Costs re premises represent Hollinger's portion of shared costs with Non-Applicants for leases and operating costs associated with the Wellington and First Canadian Place offices.

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

13) Other includes sundry expenses.

14) Settlement Payments represent payments as agreed by the Applicants and certain of their creditors as set out in the Multi-Party Settlement Agreement as approved by the Court on May 21, 2008. The projection assumes that subject to Court approval, $2.5 million of priority distributions are made by the Applicants during the Projection Period.

15) Foreign Exchange represents the effect of translating the Applicants US Dollar cash balances into Canadian Dollars.