Court File No. 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

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

TWENTY-NINTH REPORT OF THE MONITOR

April 29, 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 December 19, 2014, the Court issued an Order authorizing the Applicants to make a number of distributions to their creditors (the "**Distribution and Extension Order**"). The Distribution and Extension Order also extended the stay of proceedings to April 30, 2015.

PURPOSE

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

(a) The Applicants' actual receipts and disbursements since November 29, 2014 through April 24, 2015 (the "**Reporting Period**") and their revised cash flow forecast through July 3, 2015 (the "**Revised Forecast)**;

(b) The Applicants' motion to discharge the Honourable John D. Ground (retired) as litigation trustee (the "**Litigation Trustee**") and his committee, which is comprised of Arnold Cader and William Brock (the "**Advisory Committee**");

(c) The reduction in fees of the Applicants' chief restructuring officer, BlueTree Advisors Inc. and its principle, William E. Aziz (together, the "**CRO**");

(d) The Applicants' motion to extend the stay of proceedings until and including June 30, 2015; and

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

TERMS OF REFERENCE AND DISCLAIMER

4. In preparing this Twenty-Ninth 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 Twenty-Ninth 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 Twenty-Ninth 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 Twenty-Ninth 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 $13.4 million, which is approximately $5.9 million higher than forecast. The reason for this variance is that certain intercompany receipts from non-Applicants ultimately paid pursuant to the Distribution and Extension Order were not included in the forecast attached to the Monitor's Twenty-Eighth Report dated December 17, 2014 (the "**Twenty-Eighth Report**").

12. Actual disbursements for the Reporting Period were approximately $36.8 million compared to forecast disbursements of approximately $0.8 million, which were largely made up of amounts disbursed to creditors pursuant to the Distribution and Extension Order. Certain of the larger variances are discussed below:

    (a) *General Corporate and Litigation Fees* were approximately $5.6 million higher than forecast due to the payment of certain deferred fee premiums that were approved by the Court in the Fee Approval Order granted on December 19, 2014.

Such amounts were not included in the forecast due to the fact that Court approval had not yet been granted;

(b) *Contractor Fees* were higher than forecast due to the fact that amounts paid pursuant to the Distribution and Extension Order were not forecast as Court approval had not yet been obtained; and

(c) *Distributions to Creditors* were not included in the forecast in the Twenty-Eighth Report as such amounts were not yet approved by the Court.

13. Pursuant to the Distribution and Extension Order, the Applicants' debtor-in-possession financing facility (the "**DIP**") was fully repaid via an offset of amounts due to the DIP lender.

14. Cash balances by legal entity as at April 24, 2015 are set out below:

	$CDN Millions
Applicants	$1.2
Domgroup	$0.2
Total	**$1.4**

15. Of the total of approximately $1.4 million above, approximately $450,000 is being held in reserve for claims that are not yet finally determined and the balance is held to affect the winding up of the estate. Any residual funds will be distributed at a future date.

REVISED CASH FLOW FORECAST

16. Attached as Appendix "B" to this Twenty-Ninth Report is the Applicants' Revised Forecast for the period from April 25, 2015 through July 5, 2015 (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**").

17. The Applicants' Revised Forecast estimates that during the Forecast Period, the Applicants will have no receipts and total disbursements of approximately $0.4 million. The Applicants' cash position at the commencement of the projection period is estimated to be approximately $1.2 million. The Applicants intend to use this brief period to develop a cost-effective plan to complete the wind-up of the Applicants and non-Applicants.

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 Twenty-Ninth 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.

DISCHARGE OF THE LITIGATION TRUSTEE AND ADVISORY COMMITTEE

22. As set out in the affidavit of William E. Aziz dated April 24, 2015 (the "**Aziz Affidavit**"), the duties of the Litigation Trustee and the Advisory Committee are largely complete, as the only items remaining to be dealt with are the finalization of three litigation claims for which the Litigation Trustee has already provided instruction. For this reason, the Applicants' are seeking the discharge of both parties.

23. Given the status of the Applicants' affairs, the Monitor is of the view that such discharge is appropriate in the circumstances and recommends that the Court grant the relief requested.

REDUCTION IN CRO COMPENSATION

24. The Aziz Affidavit also details a proposed reduction in compensation for the CRO which will be effective July 1, 2015. Given the status of the Applicants' estates and the limited ongoing activities requiring the CRO's involvement, the Monitor is of the view that such a reduction is appropriate and reasonable in the circumstances.

EXTENSION OF THE STAY OF PROCEEDINGS

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

26. Given the limited number of tasks yet to be completed, the Applicants are seeking an extension of the stay of proceedings until June 30, 2015. During this time, the Applicants, under the direction of the CRO, will be developing 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 oversee the implementation of the Litigation Trustee's instructions with respect to the three litigation claims that remain.

27. Given the current and forecast level of activity in the Applicants' estates and in order to facilitate the activities described in the preceding paragraph, the Monitor is supportive of the stay being extended to June 30, 2015.

CONCLUSIONS AND RECOMMENDATIONS

28. The Monitor is of the view that, in light of the substantial completion of the Applicants' pursuit of the Litigation Assets, it is appropriate to discharge the Litigation Trustee and the Advisory Committee.

29. The Monitor is also supportive of the reduction in the monthly rate of the CRO's compensation effective July 1, 2015 given the reduction in forecast activity required to wind-up the Applicants' estates.

30. The Monitor is of the view that the Applicants have acted, and continue to act, in good faith and with due diligence. Accordingly, the Monitor recommends that the Court approve the extension of the Stay Period to June 30, 2015 and grant the additional relief sought by the Applicants.

All of which is respectfully submitted this 29th day of April, 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 28th Report

C$ 000s	Projected Results from November 29, 2014 to April 24, 2015	Actual Results from Dec 05, 2014 to April 24, 2015	Variance
Opening Cash	**24,591**	**24,591**	-
Receipts			
Interest income	-	253	253
Settlement proceeds	7,500	7,500	-
Intercompany settlements	-	5,673	5,673
Total receipts	**7,500**	**13,426**	**5,926**
Disbursements			
General Corporate and Litigation Fees	(105)	(5,716)	(5,611)
CCAA Legal Fees (Canada)	(75)	(103)	(28)
CCAA Monitor Fees	(120)	(47)	73
Contractor Fees	(365)	(1,791)	(1,426)
Finance, Tax Administration and Financial Advisor Fees	(50)	(24)	26
Operating Costs related to Premises	(44)	(66)	(23)
Foreign Exchange	-	3	3
Distributions to Creditors		(29,046)	(29,046)
Total Disbursements	**(759)**	**(36,791)**	**(36,032)**
Net Cash Inflow / Outflow	**6,741**	**(23,365)**	**(30,106)**
Closing Cash Balance	**31,332**	**1,226**	**(30,106)**

Appendix "B"

Revised forecast

Hollinger Inc., 4322525 Canada Inc.
and Sugra Limited, (Collectively the "Applicants")
Weekly Cash Flow Projection
From April 25, 2015 to July 3, 2015

Week ended	**01-May-15**	**08-May-15**	**15-May-15**	**22-May-15**	**29-May-15**	**05-Jun-15**	**12-Jun-15**	**19-Jun-15**	**26-Jun-15**	**03-Jul-15**	**Total**
Beginning bank balance	776	674	636	581	581	581	477	432	432	432	776
Receipts	-	-	-	-	-	-	-	-	-	-	-
Disbursements											
General Corporate and Litigation Legal Fees	(12)	(27)	-	-	-	-	(30)	-	-	-	(69)
CCAA Legal Fees (Canada)	-	(11)	-	-	-	-	(15)	-	-	-	(26)
CCAA Monitor and Claims Officer Fees	-	-	(56)	-	-	(20)	-	-	-	(20)	(96)
Contractor Fees	(73)	-	-	-	-	(73)	-	-	-	-	(147)
Operating Costs related to premises	(17)	-	-	-	-	(10)	-	-	-	-	(27)
Total disbursements	**(102)**	**(38)**	**(56)**	-	-	**(103)**	**(45)**	-	-	**(20)**	**(364)**
Net cash flow	(102)	(38)	(56)	-	-	(103)	(45)	-	-	(20)	**(364)**
Closing bank balance	**674**	**636**	**581**	**581**	**581**	**477**	**432**	**432**	**432**	**412**	**412**
Claim reserves	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**	**450**