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-SEVENTH REPORT OF THE MONITOR

July 8, 2014

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.

PURPOSE

2. The purpose of this Twenty-Seventh Report of the Monitor (the "**Twenty-Seventh Report**") is to provide this Court with a comprehensive review of the progress of these *CCAA* proceedings since their commencement on August 1, 2007. Additionally this Twenty-Seventh Report will provide updated information to this Court on the following matters:

(a) the progress and status of the Litigation Trustee's initiatives in the investigation, pursuit and realization of the Litigation Assets (as defined herein);

(b) the progress and status of the Applicants' and Non-Applicants' Claims Processes;

(c) the Applicants' actual cash flows for the period November 30, 2013 to June 27, 2014 and their revised cash flow forecast (the "**Revised Forecast**") from June 28, 2014 to January 8, 2015;

(d) the Applicants' request to extend the stay period granted by the Initial Order (the "**Stay Period**") to January 8, 2015; and

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

TERMS OF REFERENCE AND DISCLAIMER

3. In preparing this Twenty-Seventh 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**").

4. 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.

5. Future oriented financial information referred to in this Twenty-Seventh 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 that may not be ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

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

7. Copies of this Twenty-Seventh 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**").

8. Capitalized terms not defined in this Twenty-Seventh Report are as defined in previous reports of the Monitor.

OVERVIEW

9. Hollinger owns a number of entities both directly and indirectly. The corporate structure, as set out in the First Report of the Monitor dated August 23, 2007, is attached as Appendix "**A**". A summary of the Applicants and Non-Applicants is set out below:

   (a) Hollinger is the ultimate parent company of a number of other entities. It wholly owns Sugra Limited ("**Sugra**"), an Applicant;

   (b) Sugra in turn owns 4322525 Canada Inc. ("**432**"), another Applicant;

   (c) 432, along with Hollinger, own minority equity positions in the Sun-Times Media Group Inc. ("**STMG**") (now Chicago Newspaper Liquidation Corporation or "**CNLC**"), an entity which conducted publishing activities in the United States and is subject to its own insolvency proceedings. 432 and Hollinger, despite owning a minority equity share, controlled a majority of the votes at STMG until the Multi-Party Settlement Agreement (the "**MPSA**") was approved by the Court on May 26, 2008;

   (d) Domgroup Ltd. ("**Domgroup**") is a Non-Applicant that is wholly owned by Hollinger. Domgroup formerly operated a number of supermarkets under the "Dominion" brand name and is Hollinger's primary post-filing source of financing; and

(e) 10 Toronto Street Inc. ("**10 Toronto**") is a Non-Applicant that is wholly-owned by Domgroup.

10. Throughout these *CCAA* proceedings, the Monitor has regularly delivered communications and reports to the Court containing the Applicants' statements of receipts and disbursements, cash projections and periodic updates on any material activities and initiatives undertaken by the Applicants, including those of the Non-Applicant subsidiaries.

11. The Monitor provided a comprehensive summary of the activities undertaken since the commencement of these *CCAA* proceedings until April 2011 in its Seventeenth Report, which was further updated in March 2012 in the Monitor's Twenty-First Report. Copies of the Seventeenth Report and Twenty First Report of the Monitor (without appendices) are attached hereto as Appendices "**B**" and "**C**".

12. The Applicants' current stay of proceedings will expire, unless it is extended, on July 10, 2014.

The Inspection

13. These *CCAA* proceedings followed litigation commenced by Catalyst Fund General Partner I Inc. ("**Catalyst**") in 2004 against Hollinger, its related companies, their senior officers and directors and related entities claiming various relief, including the oppression remedy.

14. The litigation commenced by Catalyst, under the supervision of this Court, involved various contested stages, including the appointment of Ernst & Young Inc. as Inspector pursuant to the *Canada Business Corporations Act*. The terms of the Inspector's appointment and the Inspection are governed by Orders and endorsements of the Court dated October 13, 2004 and October 26, 2004, respectively, and an Order dated December 2, 2004 (collectively, the "**Inspection Order**"). A copy of the Inspection Order is attached to this Twenty-Seventh Report as Appendix "**D**".

15. The role of the Inspector was substantially completed shortly after the delivery of its confidential Tenth Report dated November 14, 2005, a copy of which (without appendices)

is attached as Appendix "**E**". Each step of that Inspection, and of the related litigation, was supervised under orders of this Court on notice to all interested parties. The activities and accounts of the Inspector and its counsel were approved by this Court from time to time on notice to all interested parties.

16. The limited role of the Inspector following the delivery of its Eleventh Report was articulated in the Order of this Court dated December 15, 2006, a copy of which is attached as Appendix "**F**".

17. Subsequent to December 15, 2006, the activities of the Inspector have been limited to dealing with documents of the Applicants under the custody and control of the Inspector pursuant to paragraph 9 of the Order of this Court dated December 15, 2006.

The *CCAA* Proceedings

18. On August 1, 2007, the Applicants sought and obtained an initial stay of proceedings under the *CCAA* for 30 days in order to provide them with an opportunity to facilitate a restructuring. Concurrently, the Applicants initiated companion proceedings in the United States pursuant to Chapter 15 of the *U.S. Bankruptcy Code*.

19. The Applicants believed that these *CCAA* proceedings were necessary as a result of the perceived threat by Hollinger's noteholders to accelerate payment of the full amount of the indebtedness owing pursuant to the Applicants' Senior First Lien Notes in the amount of US$78 million and Senior Second Lien Notes in the amount of US$15 million.

20. On August 1, 2007, Ernst & Young Inc. was appointed Monitor in these *CCAA* proceedings. A copy of the Initial Order is attached hereto as Appendix "**G**".

21. The following entities have been significant stakeholders during these *CCAA* proceedings:

(a) Hollinger's American operating subsidiary, formerly known as STMG, which was at the date of filing a publicly traded company on the New York Stock Exchange ("**NYSE**") and significant creditor of several of the Applicants. On March 31, 2009, STMG itself filed for protection under Chapter 11 of the *U.S. Bankruptcy Code*;

(b) HSBC Bank USA, National Association, as trustee under the Indenture dated September 30, 2004, and Wells Fargo Delaware Trust Company, National Association (as successor by merger to Delaware Trust Company, National Association, formerly known as Wachovia Trust Company, National Association ("**Wells Fargo**")), as trustee under the Indenture dated March 10, 2003 (collectively, the "**Indenture Trustees**"), are representatives of the holders of the Senior First and Second Lien Notes. The Indenture Trustees represent the interests of all noteholders, whose collective debts account for the majority of all unrelated third-party liabilities in these *CCAA* Proceedings;

(c) Davidson Kempner Capital Management LLC ("**DK**"), the most significant noteholder represented by the Indenture Trustees, which, at the time of the Monitor's First Report dated August 23, 2007 (the "**First Report**"), purported to control in excess of 40% of the Senior First Lien Notes and in excess of 70% of the Senior Second Lien Notes, is the largest single noteholder and unrelated third party stakeholder in the proceedings;

(d) Catalyst, which is a significant preferred shareholder and whose alleged status as a super-priority creditor has been denied by an Order of the Court and confirmed by the Ontario Court of Appeal. Catalyst has filed a proof of claim as an unsecured creditor of Hollinger; and

(e) Various third parties who are either defendants in litigation commenced by the Applicants and/or claimants in the Applicants' Claims Process.

22. Prior to commencing these *CCAA* proceedings, Hollinger had the status of a mutual fund company and was prohibited from engaging in any active business of its own. Its primary business activity involved managing its relationship with STMG, which carried on an active newspaper publishing business. Hollinger held a majority voting interest in STMG, but a minority equity interest through a two-tiered, multi-vote share structure. STMG was

a publicly traded company and Hollinger's interest had market value when these *CCAA* proceedings were commenced.

23. Hollinger is of the view that the relationship between STMG and Hollinger was significantly affected by pre-filing transactions and litigation arising therefrom. Investigations and allegations of wrong-doing also had a significant adverse effect on STMG, as did a rapidly deteriorating business environment. These factors and significant claims by the U.S. Internal Revenue Service contributed to STMG's own insolvency filing in 2009 and a resulting loss of value to the Applicants and their stakeholders.

24. The Applicants' principal activities since the commencement of these *CCAA* proceedings have involved:

(a) the initiation of the statutory wind-up of the Applicants' affiliates, 10 Toronto Street Inc. ("**10 Toronto**") and Domgroup Ltd. ("**Domgroup**") (including Domgroup's wholly-owned subsidiaries), to permit the recovery of the amounts owed by these affiliates to the Applicants;

(b) the determination of claims against the Applicants and the Non-Applicants pursuant to a Court-authorized claims processes;

(c) investigation, pursuit and realization of the Applicants' Litigation Assets (as defined below);

(d) the participation in an Interpleader Action and claims process initiated by Hollinger and CNLC in the Delaware Superior Court to determine entitlement to certain insurance proceeds;

(e) attendance to regulatory, legal and administrative matters, including compliance with securities laws, tax reporting obligations and matters relating to the preservation of the records of Hollinger pursuant to Court orders made in the proceedings which involved the appointment of the Inspector; and

(f) when appropriate, and subject to this Court's approval, the distribution of the Applicants' assets to stakeholders.

25. The Applicants are exclusively engaged in winding-up their affairs and realizing on their assets with a view to distributing the net proceeds to stakeholders in accordance with their legal entitlements, all under the supervision of this Court and in accordance with the MPSA as described herein and as described in further detail in the Monitor's Seventh Report. A redacted copy of the MPSA is attached hereto as Appendix "**H**".

26. The MPSA is an agreement amongst the Applicants and certain of their significant stakeholders, namely STMG (now CNLC) and DK, reached after extensive negotiation and the mediation efforts of the Honourable Mr. Justice Morawetz in September, 2007. In broad terms, the MPSA settled significant disputes between various stakeholders, including:

(a) governance issues with respect to both STMG and the Applicants;

(b) disputed claims between its signatories; and

(c) the necessity for and the establishment of a process to identify, fund and effectively realize on significant litigation assets of the Applicants, which include the claims of the Applicants against Hollinger's former officers, directors (related and unrelated), professional advisors and banking syndicate (the "**Litigation Assets**").

27. At the time of the Court-approval of the MPSA, an entity controlled by William Aziz, CPA, CA, BlueTree Advisors Inc. ("**BlueTree**"), was appointed as the Chief Restructuring Officer of the Applicants. Shortly thereafter, BlueTree was also retained, pursuant to board resolutions passed by each of the Non-Applicants, to provide the services of Chief Restructuring Officer to the Non-Applicants (BlueTree and William Aziz are collectively the "**CRO**").

28. The MPSA provided for the appointment of a Litigation Trustee in order to supervise, control and administer all aspects of the Litigation Assets. The Honourable John D.

Ground, Q.C. (a retired justice of this Court) was appointed as an officer of the Court to perform the role of Litigation Trustee.

29. The Monitor has no direct role in the execution of the mandate of the Litigation Trustee, but has observer status on the Advisory Committee directing its activities.

30. As mandated by the MPSA, the Litigation Trustee is responsible for administering the Litigation Assets efficiently in a cost-effective manner with a view to maximizing the net return from the Litigation Assets to the Applicants, their creditors and other stakeholders.

31. Pursuant to the MPSA, an Advisory Committee comprised of Mr. Arnold Cader (the nominee of DK) and Mr. William Brock (the nominee of the Applicants) was established to provide advice and direction to the Litigation Trustee.

32. Initial funding and reserve funding (as described in the MPSA on a sealed and confidential basis) was provided by the Applicants for the pursuit of the Litigation Assets. The funding was completed in accordance with the MPSA. The funds have been segregated from the general cash assets of the Applicants and are used exclusively for funding the administration of the Litigation Assets.

33. Since 2008, the Litigation Trustee has been pursuing the claims within his mandate. The Litigation Trustee, in consultation with the Advisory Committee, the CRO and counsel for the Applicants have devoted considerable time and resources to preparing litigation positions against:

(a) certain former directors and officers of Hollinger referred to as the "**Inside Directors**" due to their involvement in management and/or their concurrent shareholding in Hollinger's private company parent, Ravelston Corporation Limited ("**RCL**"). The Inside Directors are Conrad Black, Barbara Amiel-Black, David Radler, John Boultbee, Peter Atkinson, Peter White, Daniel Colson and Charles Cowan;

(b) the companies owned or controlled by some or all of the Inside Directors including: RCL, Ravelston Management Inc., 509643 N.B. Inc., 509644 N.B.

Inc., 509645 N.B. Inc., 509646 N.B. Inc., 509647 N.B. Inc., Moffat Management Inc., Black-Amiel Management Inc., Argus Corporation Limited, Conrad Black Capital Corporation, Hollinger Aviation Inc., Mowitza Holdings Inc., 364817 Ontario Limited, F. D. Radler Ltd. (now known as North American Newspapers Ltd.), 1269940 Ontario Limited, 2753421 Canada Limited and 1406684 Ontario Limited;

(c) certain former non-management directors of Hollinger, including: Maureen Sabia, Fredrik Eaton, Henry Ketcham III and Allan Gotlieb (together, the "**Outside Directors**"); Douglas Bassett; Ralph Barford ("**Barford**") and the late R. Donald Fullerton ("**Fullerton**");

(d) Hollinger's former banking syndicate comprised of certain chartered banks, namely: the Canadian Imperial Bank of Commerce ("**CIBC**"), the Toronto-Dominion Bank and the Bank of Nova Scotia (together, the "**Banks**");

(e) Hollinger's former counsel, Torys LLP ("**Torys**"); and

(f) Hollinger's former auditor and tax advisor, KPMG LLP ("**KPMG**").

PURSUIT AND REALIZATION OF LITIGATION ASSETS

Tolling Agreements and Actions Commenced

34. Prior to these *CCAA* proceedings, Hollinger entered into tolling agreements with Torys, KPMG, the Outside Directors, Douglas Bassett, Fullerton, Charles Cowan, Daniel Colson and Peter White. Hollinger commenced actions against the Inside Directors, the Banks and Barford (as described below).

35. The Applicants commenced three separate actions against the Inside Directors and the companies they control, prior to the *CCAA* proceeding:

(a) **Court File No. 05-CL-5822**: *Hollinger Inc. and Domgroup Ltd. v. The Ravelston Corporation Limited, Ravelston Management Inc., Moffat Management Inc.,* *Black-Amiel Management Inc., Conrad M. Black, F. David Radler, Jack A. Boultbee and Peter Y. Atkinson*—an action seeking damages in respect of certain alleged related party financial transactions;

(b) **Court File No. 06-CL-6261**: *Hollinger Inc., Domgroup Ltd., 4322525 Canada Inc., 10 Toronto Street Inc., and Sugra Limited v. Conrad M. Black, Barbara Amiel-Black, F. David Radler, John A. Boultbee, Peter Y. Atkinson, The Ravelston Corporation Limited, Ravelston Management Inc., 509643 N.B. Inc., 509644 N.B. Inc., 509655 N.B. Inc., 509646 N.B. Inc., 509647 N.B. Inc., Moffatt Management Inc., Black-Amiel Management Inc., Argus Corporation Limited, Conrad Black Capital Corporation, Hollinger Aviation Inc., Mowitza Holdings Inc., 364817 Ontario Limited, F.D. Radler Ltd., 1269940 Ontario Limited, 2753421 Canada Limited and 1406684 Ontario Limited*—an action seeking declarations, damages and other civil remedies in respect of a variety of related party transactions between Hollinger and its affiliates and certain alleged transactions by Hollinger's management; and

(c) **Court File No. 07-CL-6954**: *Hollinger Inc. v. Conrad M. Black, Barbara Amiel-Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson*—an action seeking a declaration in respect of certain indemnity agreements entered into between the company and its former officers.

36. The statement of claim in Court File No. 06-CL-6261 (the "**Main Action**") has been amended several times. Most recently, Hollinger issued a Fresh as Amended Statement of Claim in the Main Action on June 19, 2012 (attached hereto as Appendix "**I**"). In addition, Daniel Colson and Peter White (along with Peter G. White Management Ltd.) were added to the Fresh as Amended Claim as defendants. Colson and White had previously been subject to tolling agreements with Hollinger.

37. On February 25, 2013, the Court granted an order consolidating the actions proceeding under Court File Nos. 05-CL-5822 and 07-CL-6954 with the Main Action and continued all three as consolidated under Court File No. 06-CL-6261 (the "**Main Consolidated Action**"). A copy of the Consolidation Order is attached hereto as Appendix "**J**".

38. Hollinger commenced an action against Barford, originally proceeding under Court File No. 07-CV-327315-PD2, then transferred to the Commercial List and continued under Court File No. 10-874500-CL (the "**Barford Action**"). The Barford Action was settled on May 8, 2012, as described below.

39. Finally, Hollinger commenced an action against the Banks bearing Court File No. 07-CL-7043 (the "**Banks Action**"). CIBC, the lead bank in the syndicate that served Hollinger, joined with Fullerton's estate in mediation with Hollinger that led to a settlement, as described below. Hollinger discontinued the Banks Action as against the remaining defendants therein by Notice of Discontinuance dated September 18, 2013.

The Litigation Trustee's Settlement Program

40. Shortly after the commencement of litigation and execution of tolling agreements, the Litigation Trustee, through counsel, engaged each of the defendants and potential defendants in settlement discussions. Hollinger advised each defendant or potential defendant that it would be seeking financial contributions to the estates of the Applicants and/or (where appropriate) cooperation agreements, in exchange for full and final releases. The releases Hollinger offered included both direct releases from Hollinger and its subsidiaries (other than STMG), as well as third party releases which would effectively bar all continuing litigation for contribution and indemnity by co-defendants and other third parties against a settling defendant.

41. From 2008 to date, the Litigation Trustee has reached finalized settlements or pending settlements with substantially all of the defendants and potential defendants to Hollinger's claims, including some of the Inside Directors and their companies, all of the non-management directors, the Banks, Torys and KPMG. The finalized settlements achieved to date have been approved by court order[1]. The pending settlements are in the process of being finalized. The settlements and the status of the litigation are described below.

[1] With the exception of the Cowan Settlement as explained below, which did not require court approval.

Settlements with Torys and KPMG

42. On March 23 and 24, 2010, Hollinger and Torys engaged in a mediation with the assistance of the Honourable George Adams, Q.C. (retired justice) ("**Mr. Adams**"). As a result of the mediation, Hollinger and Torys entered into a settlement agreement dated March 26, 2010 (the "**Torys Settlement Agreement**"), appended hereto as Appendix "**K**".

43. On March 29 and 30, 2010, Hollinger and KPMG engaged in a mediation before Mr. Adams which resulted, after further negotiations, in a settlement agreement dated October 1, 2010 (the "**KPMG Settlement Agreement**"), appended hereto as Appendix "**L**".

44. In order to protect the litigation and settlement privilege attaching to the settlement amounts agreed to in each of the Torys and KPMG Settlement Agreements, Hollinger sought a sealing order in respect of the redacted settlement amounts set out under each agreement until the agreements were approved by the court and the approvals were rendered final (the "**Sealing Motion**").

45. The Sealing Motion was opposed by Black and certain other non-settling defendants. As a compromise, Hollinger offered to disclose the settlement amounts in question to any party who agreed to sign a confidentiality agreement. Certain non-settling defendants accepted. The Applicants' Sealing Motion was granted and on February 25, 2011, the Court issued the Sealing and Confidentiality Agreement Approval Order, attached hereto as Appendix "**M**".

46. Black sought and, on May 11, 2011, was granted leave to appeal the Sealing Order to the Court of Appeal. By reasons dated September 8, 2011, appended hereto as Appendix "**N**", Black's appeal was dismissed. Costs were awarded in favour of the Applicants, Torys and KPMG. Following the decision from the Court of Appeal, Black delivered a Notice of Application for leave to appeal the order of the Court of Appeal to the Supreme Court of Canada.

47. In the interim, Black sought a stay of the *CCAA* proceedings and of the pending motion to approve the Torys and KPMG Settlements, from the Court of Appeal pending the Supreme

Court of Canada's determination of the application for leave to appeal. Black's motion for a stay of proceedings was heard on November 28, 2011 and, by reasons dated December 5, 2011, appended hereto as Appendix "**O**", the Court of Appeal dismissed the motion. Costs were awarded in favour of the Applicants.

48. On April 19, 2012, the motion to approve the settlements between Hollinger and Torys and KPMG was heard and judgment reserved.

49. Ultimately, on May 3, 2012, the Supreme Court of Canada dismissed Black's application for leave to appeal the Court of Appeal's upholding of the Sealing Order.

50. By reasons dated September 12, 2012, Justice Campbell granted the Applicants' motions to approve the Torys Settlement and the KPMG Settlement. Justice Campbell's Reasons are appended hereto as Appendix "**P**". On September 12, 2012, the Court issued Orders approving the Torys Settlement Agreement and the KPMG Settlement Agreement, which Orders included terms governing the production of documents by Torys and KPMG, as third parties, in the ongoing litigation with the non-settling defendants.

51. Black and Radler each sought leave from the Court of Appeal to appeal the Torys Settlement Approval Order and the KPMG Settlement Approval Order. On January 14, 2013, the Court of Appeal denied both leave motions, and awarded costs to the Applicants, Torys and KPMG. Appended hereto as Appendix "**Q**" is a copy of the Court of Appeal's decision.

52. With the Court of Appeal's decision to deny leave to appeal to Black and Radler, the Torys and KPMG Settlement Approval Orders became "final" for the purposes of the Sealing and Confidentiality Agreement Approval Order, which had the effect of lifting the seal from the redacted portions of the Torys and KPMG Settlement Agreements. The settlement amounts set out under each of those agreements are now public.

53. Hollinger received from Torys settlement funds in the amount of $12.8 million, plus approximately $0.3 million in accrued interest, for an aggregate of $13.1 million.

54. Hollinger received from KPMG settlement funds in the amount of $10 million.

Settlements with the Outside Directors

55. Hollinger and certain of its former non-management directors, Maureen Sabia, Allen Gotlieb, Frederik Eaton and Henry Ketcham III (the "**Outside Directors**"), participated in a confidential mediation on May 18 and 19, 2011 facilitated by Mr. Adams, which resulted in a settlement agreement, dated May 18, 2011 (the "**Outside Directors' Settlement Agreement**"), appended hereto as Appendix "**R**". Douglas Bassett had initially been considered a member of this group, but after consideration of his lack of involvement in the issues, Hollinger agreed not to pursue any claims against Mr. Bassett.

56. The settlement amount set out under the Outside Directors' Settlement Agreement was sealed pursuant to a companion sealing order that mirrored the terms of the Torys and KPMG Sealing Order. The Outside Directors' Sealing and Confidentiality Agreement Approval Order is appended hereto as Appendix "**S**".

57. The motion to approve the Outside Directors' Settlement was heard concurrently with the Torys and KPMG Settlement Approval motions. Ultimately, the Outside Directors' Settlement Agreement was approved, unopposed. The Court issued the Outside Directors' Settlement Approval Order on July 24, 2012, which is appended hereto as Appendix "**T**".

58. Upon the Outside Directors' Settlement Approval Order becoming "final" for the purposes of the Outside Directors' Sealing and Confidentiality Agreement Approval Order, the settlement amount set out thereunder became public.

59. Hollinger received from the Outside Directors settlement funds in the amount of $2.28 million and cooperation agreements.

Settlement with CIBC and Fullerton's Estate

60. Hollinger engaged in a mediation facilitated by Mr. Adams with CIBC and the estate of Fullerton on December 23, 2011. The mediation resulted, after further negotiations, in a settlement agreement dated April 9, 2012 (the "**CIBC/Fullerton Settlement Agreement**"), appended hereto as Appendix "**U**".

61. Again, the settlement amount set out under the CIBC/Fullerton Settlement Agreement was sealed pursuant to a companion sealing order that mirrored the terms of the Torys and KPMG Sealing Order. The CIBC/Fullerton Sealing and Confidentiality Agreement Approval Order is appended hereto as Appendix "**V**".

62. The motion to approve the CIBC/ Fullerton Settlement Agreement was unopposed. On July 24, 2012, the Court issued the CIBC Fullerton Settlement Approval Order, appended hereto as Appendix "**W**".

63. Upon the CIBC/Fullerton Settlement Approval Order becoming "final" for the purposes of the CIBC/Fullerton Sealing and Confidentiality Agreement Approval Order, the settlement amount set out thereunder became public.

64. Hollinger received from CIBC and Fullerton's estate settlement funds in the amount of $3 million.

Settlement with Barford

65. After exchanging documentary productions and proceeding through examinations for discovery in the Barford Action, Hollinger and Barford engaged in settlement negotiations through counsel, which resulted in a settlement agreement dated May 8, 2012 (the "**Barford Settlement Agreement**"), appended hereto as Appendix "**X**".

66. The Barford Settlement Agreement provided for Barford's cooperation with Hollinger in the continuing litigation, in exchange for a payment by Hollinger of a portion of Barford's legal fees (i.e. $250,000). Barford's cooperation agreement includes his agreement to submit to a *de bene esse* examination to preserve his evidence pending trial. No sealing order was sought in respect of the Barford Settlement Agreement.

67. The Barford Settlement Agreement was approved, unopposed, and the Barford Settlement Approval Order was issued by the Court on July 24, 2012 (appended hereto as Appendix "**Y**").

Settlement with Cowan

68. The Applicants engaged in settlement negotiations with Charles Cowan ("**Cowan**"), through counsel, which resulted in a settlement agreement dated January 27, 2012 (the "**Cowan Settlement Agreement").** The Cowan Settlement Agreement did not require court approval as the terms provided for settlement funds less than the court-sanctioned threshold for obtaining court approval. Hollinger received $100,000 in settlement proceeds from Cowan. The Applicants maintain that the balance of the terms of the Cowan Settlement Agreement remain protected by litigation and settlement privilege.

Settlements with Atkinson and Boultbee

69. The Applicants have entered into settlement agreements with John A. Boultbee ("**Boultbee**") and his companies, Mowitza Holdings Inc. and 364817 Ontario Limited, dated July 4, 2013, (the "**Boultbee Settlement Agreement**"), and with Peter Y. Atkinson ("**Atkinson**") and his company, 1406684 Ontario Limited, dated July 18, 2013 (the "**Atkinson Settlement Agreement**"). The Boultbee and Atkinson Settlement Agreements are appended hereto as Appendices "**Z**" and "**AA**", respectively.

70. In each case, the parties entered into cooperation agreements in exchange for direct and third party releases. The Boultbee Settlement and the Atkinson Settlement were both approved, unopposed, by separate court orders on September 16, 2013, which are attached hereto as Appendices "**BB**" and "**CC**", respectively.

Discontinuances in favour of RCL, Ravelston Management Inc., Hollinger Aviation Inc., the Toronto-Dominion Bank and the Bank of Nova Scotia

71. Hollinger issued notices of discontinuation of the Main Consolidated Action as against RCL, Ravelston Management Inc., and Hollinger Aviation Inc. due to the fact that Hollinger was of the view that these entities had either been dissolved or had limited assets and, as such, there was little to be gained from pursuing the actions. These discontinuances were undisputed. The claims of the Applicants against these entities are therefore extinguished.

72. Further, after the CIBC/Fullerton Settlement was approved and payment was made to Hollinger in furtherance of that settlement, Hollinger opted to discontinue the Banks Action as against the remaining banks, the Toronto-Dominion Bank and the Bank of Nova Scotia.

Contested Discontinuances in favour of Argus and its subsidiaries

73. Hollinger sought a discontinuance against Argus Corporation Limited ("**Argus**") and its subsidiaries, 509643 N.B. Inc., 509644 N.B. Inc., 509645 N.B. Inc., 509646 N.B. Inc. and 509647 N.B. Inc. (together, the "**509s**"). Argus and the 509s contested the proposed discontinuance on the grounds that they wished to advance counterclaims against Hollinger, despite the operation of the *CCAA* stay of proceedings resulting from these *CCAA* proceedings. As a result, Hollinger brought a motion to discontinue its action against Argus and to dismiss Argus' counterclaim on a without costs basis. Argus brought a cross-motion for permission to lift the stay and file its counterclaim against Hollinger. These motions have not been heard. As last reported to the Court on July 22, 2013, Hollinger, Argus and the 509s are in discussions to resolve these issues without resort to court order.

Pending Settlements with Radler, Black, Amiel-Black, White and their private companies

74. In February 2014, Hollinger reached a settlement in principle with F. David Radler ("**Radler**") and his company F. D. Radler Ltd. (now known as North American Newspapers Ltd.). The parties are in the process of finalizing the terms of and documenting the settlement at the time of this Twenty-Seventh Report.

75. On May 7, 2014, counsel for Radler served Hollinger and all interested parties with a Notice of Motion returnable August 18, 2014 to obtain Court approval for the terms of settlement and to establish a service and notice process in respect of the motion to approve the settlement.

76. In May 2014, Hollinger reached a settlement in principle with Conrad M. Black, Barbara Amiel-Black, and their companies Conrad Black Capital Corporation, Moffat Management

Inc., Black-Amiel Management Inc., 1269940 Ontario Limited and 2753421 Canada Limited. The parties are in the process of finalizing the terms of and documenting the settlement at the time of this Twenty-Seventh Report.

77. Also in May 2014, Hollinger reached a settlement in principle with Peter G. White and his company Peter G. White Management Ltd. The parties are in the process of finalizing the terms of and documenting the settlement.

78. The pending settlements described above are subject to settlement privilege.

Reportable Settlement Funds Received to Date by the Applicants

79. Hollinger has realized an aggregate of $28.2 million in reportable settlement funds[2] from the finalized settlement of certain of the Litigation Assets to date.

Remaining Litigation Against Non-Settling Defendants.

80. As a result of the foregoing settlements and discontinuances, the sole remaining defendant to Hollinger's claims is Daniel Colson. The Applicants are considering their next steps in relation to Colson.

81. Pleadings in the Main Consolidated Action are now closed.

Black Plan

82. On April 24, 2012, Conrad Black Capital Corporation ("**CBCC**") and Black filed a notice of motion to, amongst other things, allow for finalization, filing and mailing of a draft plan of compromise and arrangement (the "**Draft Black CCAA Plan**").

83. On July 23, 2012, the Monitor received a letter from DK, the largest arms-length creditor in the *CCAA* proceedings (copied to the Applicants), that expressed DK's opposition to the Draft Black *CCAA* Plan and asked the Monitor to make DK's views known to the Court. The Monitor complied with DK's request in this regard and has attached the letter as

[2] This does not include any amount that may be received in connection with the pending settlements with Radler and Black, which are not yet reportable.

Appendix "**DD**". Since then, there has been no further progress in respect of this motion and no further steps are expected in light of the pending Black settlement.

Next Steps in the Litigation

84. The Applicants and the then remaining defendants have attended several chambers appearances to discuss the timing of the remaining procedural matters, including a motion by Black for security for costs, the terms of a discovery plan and other related issues.

85. Prior to the pending Radler, Black and White settlements, the next steps in the litigation included (i) the resolution of an outstanding motion to take Barford's *de bene esse* evidence and, if granted, the taking of that evidence; (ii) the resolution of Black's outstanding motion for approval of a Plan of Arrangement; (iii) the resolution of Black's outstanding motion for security for costs; and (iv) agreement between the parties and/or court approval of a discovery plan. The parties dispute the order in which these motions should proceed. On September 25, 2013, Justice Campbell issued an endorsement in respect of these issues which is attached as Appendix "**EE**".

86. In light of the pending settlements, the focus of the Applicants' efforts is expected to shift away from the pending litigation and towards a resolution of the estates, including finalizing the pending settlements, determining the remaining claims against the Applicants and the Non-Applicants and making distributions to the creditors of the various entities in accordance with the MPSA.

Deferred Legal Fees

87. As reported in the Monitor's Seventeenth Report, the Litigation Trustee entered into fee deferral arrangements with Thornton Grout Finnigan LLP and Paliare Roland Rosenberg Rothstein LLP in order to preserve the limited cash resources available to the Litigation Trustee to pursue the Litigation Assets. These arrangements include premiums of between 50% and 150% of the actual fees deferred, contingent upon the positive outcome of certain claims. The premiums on and the recovery of the deferred fees were contingent on certain results being achieved.

88. The quantum of the fees deferred differed based on the Applicants' liquidity position and the liquidity position of the Litigation Trustee at the time the fees were incurred. Initially, 50% of the fees were deferred but that increased to 75% when the liquidity constraints became more pressing. The premium of 1.5 times the deferred fees was to compensate for both the risk of the contingency (litigation success) not occurring and the time value of the money at risk. The premium was eventually split into two components with the differing factors for different aspects of the litigation. Once the Litigation Trustee determined it had sufficient liquidity to pursue the Applicants' claims, the fee premium arrangements were terminated with the consent of the firms involved.

89. The total outstanding deferred fee premium is approximately $5.1 million (in addition to the deferred base fees of $5.4 million, which have now been paid by the Applicants) and is subject to Court approval.

CLAIMS PROCESS

90. Pursuant to an order issued May 21, 2008, this Court approved the Applicants' Claims Process. By order dated August 27, 2008 as amended by orders dated November 26, 2008, February 23, 2009 and November 10, 2009, this Court approved a claims process in respect of the Non-Applicants.

91. By Reasons dated June 24, 2013, Justice Campbell dismissed the motion brought by Catalyst asserting a super-priority claim against Hollinger. Catalyst had sought leave to appeal Justice Campbell's decision but such leave to appeal has been denied by the Court of Appeal for Ontario.

92. The claims asserted by Black against Hollinger (the "**Black Claim**") have not yet been adjudicated by this Court. As outlined in the Applicants' Notice of Motion dated July 3, 2013 (attached hereto as Appendix "**FF**"), the Applicants have taken the position that certain components of the Black Claim should be disallowed for the reasons outlined therein and that that Quest Loan Claim (as defined therein) should be adjudicated in accordance with the terms of the Applicants' Claims Process. The Applicants have

advised that this motion should be held in abeyance pending the finalization of the pending settlements.

93. Subject to the pending settlements, the remaining unresolved claims in the claims process largely relate to significant claims asserted by several Non Arms-Length Claimants and other creditors and are inextricably connected to the ongoing litigation involving the Applicants. Given their relationship to events in dispute within the ongoing litigation, these claims cannot be dealt with in isolation from claims of the Litigation Trustee (acting on behalf of Hollinger). In many cases, the legal issues in question in the actions commenced by the Litigation Trustee are issues that are central to the adjudication of the claims in the Applicants' Claims Process. In particular, the allegations made by the Litigation Trustee may, if proven, adversely affect, limit or eliminate the claims (which are to be determined by this Court), of those Non Arms-Length Claimants, including any claims for contribution and indemnity.

94. Domgroup entered into a Head Lease with Sun Life (property owner) in 1957 for certain land in Nova Scotia that ended in July 2007. In 1980, Domgroup entered into a Sub Lease with McDonald's Restaurants of Canada, who continue to occupy and use the lands today. Effective March 31, 2000, Domgroup assigned its Head Lease with Sun Life to Richard Tomulka by way of an Assignment of Lease and Consent Agreement. As such, since 1980 Domgroup has not been the occupying tenant or operator of the land.

95. In general terms, a corporate director may be prosecuted independently for a corporate offence under the Nova Scotia *Environment Act* (the "*Act*"), or named as an individual "person" in a remedial Ministerial Order, even if the corporation itself is not named. The *Act* does not make reference to a corporate windup, or any limitation on such powers if a corporation itself ceases to exist. An accounting reserve of $600,000 has been made in respect of possible remediation costs that Domgroup might owe. It is intended that an application will be made to the Supreme Court of Nova Scotia in respect of this matter and that the limitation periods applicable to this matter may eliminate the potential liability, in any event.

96. In addition to the claims above, 432 is currently in discussion with Canada Revenue Agency ("**CRA**") in respect of prior years' tax liability. 432's counsel is currently in discussion with CRA with a view to reaching a consensual resolution to the outstanding claim.

THE APPLICANTS' DISTRIBUTION MOTION

97. On September 18, 2013, the Applicants sought a distribution of the estates of the Applicants and the establishment of certain reserves for unresolved claims (the "**Distribution Motion**"). A copy of the Distribution Motion is attached hereto as Appendix "**GG**". Pursuant to the direction of Justice Campbell on September 23, 2013, the Distribution Motion has been adjourned until certain litigation matters, in particular the pending settlements, are determined.

CASH FLOW MATTERS

Actual receipts and disbursements

98. A summary of the Applicants' actual receipts and disbursements for the period from November 30, 2013 to June 27, 2014 (the "**Reporting Period**"), compared to their projections filed with this Court in the appendices to the Twenty-Sixth Report, is attached as Appendix "**HH**" hereto.

99. Actual net cash receipts for the Reporting Period totaled approximately $746,000, approximately $954,000 less than projected. The major variances include a positive variance related to interest income offset by approximately $1.3 million less borrowings under the DIP (as defined herein).

100. Actual cash disbursements for the Reporting Period totaled approximately $1.6 million, approximately $1.4 million less than projected. This positive variance was primarily due to lower than forecast professional fees.

101. As previously reported and approved by an Order of this Court dated May 27, 2010 and amended on December 15, 2010, June 21, 2011, August 24, 2012 and December 4, 2013,

Domgroup entered into a $12.2 million debtor-in-possession ("**DIP**") loan facility with Hollinger, with interest charged to and paid by the Applicants at the Canadian Imperial Bank of Commerce's Prime Rate plus 3% per annum on any draws made on the loan. The interest provision was subsequently amended and reduced to $0 for interest that was outstanding at December 4, 2013. Such amendment was approved by the Court on December 4, 2013. The DIP loan was subsequently amended to include both 4322525 Canada Inc. and Sugra as borrowers. Interest, which is now again being charged, has also begun to accrue since December 1, 2013.

102. As of June 27, 2014, total DIP amounts outstanding were approximately $11.1 million, which includes principle of $10.7 million plus approximately $0.4 million of interest.

103. As at June 27, 2014, the cash balances of the Applicants and the principal Non-Applicants (with material amounts of cash) were as follows:

	(Cdn. Millions)
Applicants	$24.6
Domgroup	$5.8
10 Toronto	$1.2

Revised cash flow forecast

104. Attached as Appendix "**II**" to this Twenty-Seventh Report is the Applicants' revised cash flow forecast (the "**Revised Forecast**") for the period from June 28, 2014 through January 8, 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**").

105. At this time, the Applicants' Revised Forecast estimates that during the Forecast Period, the Applicants will have net receipts of approximately $1.7 million and total disbursements of approximately $1.2 million. The Applicants' cash position at the commencement of the Projection Period is estimated to be approximately $25.0 million.

Total additional net draws under the DIP facility are estimated to be $1.5 million during the Forecast Period.

106. 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 Assumptions, and the preparation and presentation of the Revised Forecast.

107. 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-Seventh 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.

108. 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.

109. 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.

EXTENSION OF THE STAY PERIOD

110. The Applicants are requesting an extension of the Stay Period to January 8, 2015. Absent such an extension, the Stay Period will expire on July 10, 2014.

111. In the Monitor's view, an extension of the Stay Period to January 8, 2015 is appropriate and will allow the Applicants to finalize the pursuit or settlement of their various claims, to make distributions to their creditors in accordance with their legal priorities, subject to the Court's approval, and to generally wind-up their affairs.

CONCLUSION

112. The Monitor is of the view that the Applicants continue to act in good faith and with due diligence and that an extension of the Stay Period to January 8, 2015 is in the best interest of all stakeholders.

113. In order to finalize the administration of the Applicants' and Non-Applicants' affairs, there remain a number of inextricably linked issues outstanding. These include, but are not limited to, the following:

(a) The finalization and Court approval of the pending settlement with Radler;

(b) the finalization and Court approval of the pending settlement with the Black entities;

(c) the finalization and Court approval of the pending settlement with White;

(d) the disposition of the remaining litigation by the Applicants against the remaining non-settling defendant, Colson;

(e) the disposition of the remaining unresolved claims in the Applicants' claims process;

(f) the disposition of the Draft Black CCAA Plan and the Applicants' Distribution Motion; and

(g) The motion for Court approval of the deferred fee premiums owing to the Litigation Trustee's counsel.

All of which is respectfully submitted this 8th day of July, 2014:

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"
Organizational Chart

Appendix "B"
17th Monitor's Report

Appendix "C"
21st Monitor's Report

Appendix "D"
Inspection Order

Appendix "E"
10th Inspector's Report

Appendix "F"
December 15, 2006 Order

Appendix "G"
Initial Order

Appendix "H"
MPSA

Appendix "I"
Fresh as Amended Claim

Appendix "J"
Consolidation Order

Appendix "K"
Tory's Settlement Agreement

Appendix "L"
KPMG Settlement Agreement

Appendix "M"
Sealing and Confidentiality Agreement Approval Order

Appendix "N"
Reasons re Dismissal of Black Appeal

Appendix "O"
Reasons re Dismissal of Stay of CCAA

Appendix "P"
Reasons re Approval of Torys and KPMG Settlement

Appendix "Q"
Court of Appeal Decision re Appeal of KPMG and Torys

Appendix "R"
Outside Directors Settlement

Appendix "S"
Outside Directors Sealing Order

Appendix "T"
Outside Director Settlement Approval Order

Appendix "U"
CIBC/Fullerton Settlement Agreement

Appendix "V"
CIBC/Fullerton Sealing and Confidentiality Agreement and Approval Order

Appendix "W"
CIBC/Fullerton Settlement Approval Order

Appendix "X"
Barford Settlement Agreement

Appendix "Y"
Barford Settlement Approval Order

Appendix "Z"
Boultbee Settlement Agreement

Appendix "AA"
Atkinson Settlement Agreement

Appendix "BB"
Boultbee Settlement Agreement Approval Order

Appendix "CC"
Atkinson Settlement Agreement Approval Order

Appendix "DD"
DK letter

Appendix "EE"
Endorsement issued by Justice Campbell on September 25, 2013

Appendix "FF"
Applicants' Notice of Motion dated July 3, 2013

Appendix "GG"
Distribution motion

Appendix "HH"
Actual receipts and disbursements

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the December 2, 2013 Cash Flow Projection

C$ 000s	Projected Results from November 30, 2013 to June 27, 2014	Actual Results from November 30, 2013 to June 27, 2014	Variance
Opening Cash	**25,366**	**25,366**	-
Receipts			
Interest income	-	291	291
Other	-	5	5
Intercompany Accounts Receivable - Domgroup	(50)	(50)	-
DIP Borrowings	1,750	500	(1,250)
Total receipts	**1,700**	**746**	**(954)**
Disbursements			
General Corporate and Litigation Fees	(1,146)	(565)	581
CCAA Legal Fees (Canada)	(630)	(265)	365
CCAA Monitor Fees	(500)	(63)	437
Contractor Fees	(512)	(514)	(2)
Finance, Tax Administration and Financial Advisor Fees	(74)	(59)	15
Operating Costs related to Premises	(82)	(105)	(23)
Taxes	-	1	1
Foreign Exchange	-	12	12
Total Disbursements	**(2,944)**	**(1,558)**	**1,386**
Net Cash Inflow / Outflow	**(1,244)**	**(812)**	**432**
Closing Cash Balance	**24,122**	**24,554**	**432**

Appendix "II"
Revised Forecast

Hollinger Inc., 4322525 Canada Inc.
and Sugar Limited, (Collectively the "Applicants")
Weekly Cash Flow Projection
From June 28, 2014 to January 08, 2015

Week #		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Projection for the Week Ending	*Notes*	**4-Jul-14**	**11-Jul-14**	**18-Jul-14**	**25-Jul-14**	**1-Aug-14**	**8-Aug-14**	**15-Aug-14**	**22-Aug-14**
Opening Cash, ex. Funds in Trust	**1**	24,554	24,469	24,308	24,314	24,797	24,712	24,721	24,619
Receipts									
Interest income	**2**	-	-	-	-	-	-	-	-
DIP Borrowings	**3**	-	-	-	500	-	-	-	-
Total receipts		**-**	**-**	**-**	**500**	**-**	**-**	**-**	**-**
Disbursements									
General Corporate and Litigation Legal Fees	**4**	-	(76)	-	-	-	-	(43)	-
CCAA Legal Fees (Canada)	**5**	-	(35)	-	-	-	-	(35)	-
CCAA Monitor and Claims Officer Fees	**6**	-	(50)	-	-	-	-	(30)	-
Contractor Fees	**7**	(73)	-	-	-	(73)	-	-	-
Finance,Tax Administration and Financial Advisor Fees	**8**	-	-	-	(11)	-	-	-	-
Operating Costs related to premises	**9**	(12)	-	6	(6)	(12)	9	6	(6)
Taxes	**10**	-	-	-	-	-	-	-	-
Total Disbursements		**(85)**	**(161)**	**6**	**(17)**	**(85)**	**9**	**(102)**	**(6)**
Net Cash Inflow/Outflow		**(85)**	**(161)**	**6**	**483**	**(85)**	**9**	**(102)**	**(6)**
Closing Cash Balance		**24,469**	**24,308**	**24,314**	**24,797**	**24,712**	**24,721**	**24,619**	**24,613**

Hollinger Inc., 4322525 Canada Inc.
and Sugar Limited, (Collectively the "Applicants")
Weekly Cash Flow Projection
From June 28, 2014 to January 08, 2015

Week #		**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
Projection for the Week Ending	*Notes*	**29-Aug-14**	**5-Sep-14**	**12-Sep-14**	**19-Sep-14**	**26-Sep-14**	**3-Oct-14**	**10-Oct-14**	**17-Oct-14**
Opening Cash, ex. Funds in Trust	**1**	24,613	24,613	24,528	24,415	24,421	24,415	24,480	24,395
Receipts									
Interest income	**2**	-	-	-	-	-	150	-	-
DIP Borrowings	**3**	-	-	-	-	-	-	-	-
Total receipts		**-**	**-**	**-**	**-**	**-**	**150**	**-**	**-**
Disbursements									
General Corporate and Litigation Legal Fees	**4**	-	-	(48)	-	-	-	(40)	-
CCAA Legal Fees (Canada)	**5**	-	-	(35)	-	-	-	(15)	-
CCAA Monitor and Claims Officer Fees	**6**	-	-	(30)	-	-	-	(30)	-
Contractor Fees	**7**	-	(73)	-	-	-	(73)	-	-
Finance,Tax Administration and Financial Advisor Fees	**8**	-	-	-	-	-	-	-	-
Operating Costs related to premises	**9**	-	(12)	-	6	(6)	(12)	-	6
Taxes	**10**	-	-	-	-	-	-	-	-
Total Disbursements		**-**	**(85)**	**(113)**	**6**	**(6)**	**(85)**	**(85)**	**6**
Net Cash Inflow/Outflow		**-**	**(85)**	**(113)**	**6**	**(6)**	**65**	**(85)**	**6**
Closing Cash Balance		**24,613**	**24,528**	**24,415**	**24,421**	**24,415**	**24,480**	**24,395**	**24,401**

Hollinger Inc., 4322525 Canada Inc.
and Sugar Limited, (Collectively the "Applicants")
Weekly Cash Flow Projection
From June 28, 2014 to January 08, 2015

Week #		**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**
Projection for the Week Ending	*Notes*	**24-Oct-14**	**31-Oct-14**	**7-Nov-14**	**14-Nov-14**	**21-Nov-14**	**28-Nov-14**	**5-Dec-14**	**12-Dec-14**
Opening Cash, ex. Funds in Trust	**1**	24,401	24,395	24,395	24,310	24,244	24,250	25,244	25,171
Receipts									
Interest income	**2**	-	-	-	-	-	-	-	-
DIP Borrowings	**3**	-	-	-	-	-	1,000	-	-
Total receipts		-	-	-	-	-	**1,000**	-	-
Disbursements									
General Corporate and Litigation Legal Fees	**4**	-	-	-	(21)	-	-	-	(21)
CCAA Legal Fees (Canada)	**5**	-	-	-	(15)	-	-	-	(15)
CCAA Monitor and Claims Officer Fees	**6**	-	-	-	(30)	-	-	-	(30)
Contractor Fees	**7**	-	-	(73)	-	-	-	(73)	-
Finance,Tax Administration and Financial Advisor Fees	**8**	-	-	-	-	-	-	-	-
Operating Costs related to premises	**9**	(6)	-	(12)	-	6	(6)	-	(10)
Taxes	**10**	-	-	-	-	-	-	-	-
Total Disbursements		**(6)**	**-**	**(85)**	**(66)**	**6**	**(6)**	**(73)**	**(76)**
Net Cash Inflow/Outflow		**(6)**	**-**	**(85)**	**(66)**	**6**	**994**	**(73)**	**(76)**
Closing Cash Balance		**24,395**	**24,395**	**24,310**	**24,244**	**24,250**	**25,244**	**25,171**	**25,095**

Hollinger Inc., 4322525 Canada Inc.
and Sugar Limited, (Collectively the "Applicants")
Weekly Cash Flow Projection
From June 28, 2014 to January 08, 2015

Week #		**25**	**26**	**27**	**28**	
Projection for the Week Ending	*Notes*	**19-Dec-14**	**26-Dec-14**	**1-Jan-15**	**8-Jan-14**	**Total**
Opening Cash, ex. Funds in Trust	**1**	25,095	25,101	25,095	25,010	24,554
Receipts						
Interest income	**2**	-	-	-	-	150
DIP Borrowings	**3**	-	-	-	-	1,500
						-
Total receipts		-	-	-	-	**1,650**
Disbursements						
General Corporate and Litigation Legal Fees	**4**	-	-	-	-	(249)
CCAA Legal Fees (Canada)	**5**	-	-	-	-	(150)
CCAA Monitor and Claims Officer Fees	**6**	-	-	-	(30)	(230)
Contractor Fees	**7**	-	-	(73)	-	(511)
Finance,Tax Administration and Financial Advisor Fees	**8**	-	-	-	-	(11)
Operating Costs related to premises	**9**	6	(6)	(12)	6	(67)
Taxes	**10**	-	-	-	-	-
Total Disbursements		**6**	**(6)**	**(85)**	**(24)**	**(1,218)**
Net Cash Inflow/Outflow		**6**	**(6)**	**(85)**	**(24)**	**432**
Closing Cash Balance		**25,101**	**25,095**	**25,010**	**24,986**	**24,986**

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited, (collectively the "Applicants")
Cash Flow Projection for the period from June 28, 2014 to January 8, 2015
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 shown herein and these fluctuations may be material.

1) The Opening Cash Balance is shown in thousands of Canadian dollars.
2) Interest income is estimated based on projected cash balances and actual recent rates of return.
3) DIP borrowings does not include the payment of interest due to Domgroup Limited ("Domgroup") on the DIP loan although interest is currently
4) General corporate and litigation legal fees represent estimated fees on account of general corporate and litigation services.
5) CCAA Legal Fees (Canada) reflect the estimated legal fees of the Applicants' counsel.
6) CCAA Monitor & Counsel Fees reflect each of the estimated fees of the Monitor and its counsel associated with the CCAA process.
7) Contractor Fees represent fees payable to the Chief Restructuring Officer pursuant to the Multi-Party Settlement Agreement.
8) Finance, Tax Administration and Financial Advisor Fees represent payments to various professionals.
9) 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.
10) The projection does not include any receipts or disbursements as a result of tax reassessments or penalties for late filings, if any.
11) Not included in the forecast are pending settlements with Radler and Black.