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

Applicants

SUPPLEMENTAL AFFIDAVIT OF WILLIAM E. AZIZ

(Re: Distribution Motion and Stay Extension)

I, **WILLIAM E. AZIZ**, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President of BlueTree Advisors Inc., Court-appointed Chief Restructuring Officer of the Applicants. As such, I have personal knowledge of the matters to which I hereinafter depose, except where my knowledge is based on information and belief, in which case I believe such information to be true.

2. This affidavit is sworn as a supplement to my affidavit sworn on December 11, 2014 (the "**Initial Affidavit**") in support of the distribution and stay extension motion to be heard on December 19, 2014. Capitalized terms not defined herein are as defined in the Initial Affidavit.

3. Subsequent to the filing of the Initial Affidavit, it has come to my attention that there was

an error in the chart outlining the Hollinger distributions and that additional funds will be received and transferred from the Litigation Trust which will be available for immediate distribution. As such, $24.5 million will be immediately available and transferred to Hollinger from the Litigation Trust. As outlined below, the Applicants are seeking to make an initial distribution of $26 million. Subsequent distributions will be made once the remaining $5 million is received from the Conrad Black settlement on the same *pro rata* basis as described in the Initial Affidavit. As an additional point of clarification, pursuant to section 18(b) of the Court-approved MPSA, the claims of the Senior and Junior Noteholders will continue to accrue interest in accordance with the debentures at the contractual rate until all of the future distributions are made.

4. As a result of the foregoing changes, the following is the corrected and updated chart outlining the proposed Hollinger distributions:

[Remaining page intentionally left blank]

Hollinger

	CDN ($000)'s
Cash	
Opening Cash Balance as at November 30, 2014	746
Recovery from Domgroup	2,598
Recovery from Sugra	1,069
Recovery from Litigation Trustee	24,474
Catalyst Reserve	(150)
Argus Reserve	(300)
Voorheis Payment per MPSA	(1,000)
CRO Bonus ($375 + HST)	(424)
Estimated Costs of Administration	(1,000)
Total projected cash balance available for Distribution	26,013
Claims	
Intercompany indebtedness:	
432 Net Claim @50% as set out in the MPSA	171,250
Outstanding Accepted Claims:	
STMG	33,600
Senior Noteholders	234,600
Junior Noteholders	45,115
Taxes (as filed)	344
Trade & Other (Towers, Aird & Berlis, Aero & Total Security Management)	133
Barford	160
Total Estimated Liabilities	485,638
Intercompany payment to 432	9,317
Total Intercompany payments	9,317
Ultimate Recovery % to Unsecured Creditors	6.4%

5. As a result of the change in the distribution to 432 by Hollinger, the following is the proposed revised distribution by 432 to its Proven Creditors:

432

	CDN ($000)'s
Cash	
Cash on Hand as at November 30, 2014	1
Recovery from Domgroup	2,072
Recovery from Hollinger	9,317
Total projected cash balance available for Distribution	11,390
Claims	
Outstanding Accepted Claims:	
STMG (subordinated)	129,432
Senior Noteholders	234,600
Junior Noteholders	45,115
Ravelston	2,111
CRA	2
Total Estimated Liabilities	411,261
Ultimate Recovery % to Unsecured Creditors	3.2%

6. As a result of the foregoing, the Senior Noteholders and Junior Noteholders will see a recovery of 9.6% from the Applicants.

SWORN before me in the City of Toronto, in the Province of Ontario, this 17th day of December, 2014.

Commissioner for Taking Affidavits

Annette Melinda Fournier, a Commissioner, etc.,
Province of Ontario, for Thornton Grout Finnigan LLP,
Barristers and Solicitors.
Expires February 7, 2017.

WILLIAM E. AZIZ

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

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

Court File No.: 07-CL-7120

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

SUPPLEMENTAL AFFIDAVIT
OF WILLIAM E. AZIZ
(Re: Distribution Motion and Stay Extension)

Thornton Grout Finnigan LLP
Suite 3200, P.O. Box 329
100 Wellington St. West
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Robert I. Thornton (LSUC# 24266B)
E-mail: rthornton@tgf.ca
Leanne M. Williams (LSUC# 41877E)
E-mail: lwilliams@tgf.ca
Tel: (416) 304-1616
Fax: (416) 304-1313
Lawyers for the Applicants and Non-Applicants