

North American Fur Auctions



November 7, 2019

Dear Valued Supplier;

It is with a great sense of disappointment that you are receiving the attached notice (see reverse), from the court-appointed monitor, Deloitte Restructuring Inc. (Deloitte), stating that North American Fur Auctions (NAFA) has entered into a creditor-protection proceeding under the *Companies' Creditors Arrangement Act* (CCAA). For those who are not familiar with a CCAA order, please consider it as akin to the better-known U.S. term of Chapter 11.

NAFA's tremendously difficult decision to enter into CCAA follows a number of months of struggle and hard work of trying to refinance the Company, which until now has been unsuccessful. We continue to operate the Company, with oversight from Deloitte as our Court-appointed Monitor.

The CCAA procedure gives us the breathing room and the operational ability that we need to decide on next steps. In the immediate future, NAFA is proceeding to complete the sale of its ranched mink loan portfolio to Saga Furs. Thereafter we intend to organize the proper and appropriate disposition all furs held by NAFA and to consider future options within the context of the CCAA proceeding.

At this time, it is unlikely that NAFA will conduct it own auction in March 2020 for either wild or ranched fur. I cannot put into words how saddened I am that NAFA has left many of our loyal and dedicated consignors, buying customers and suppliers in this situation. There is no doubt that the industry is going through difficult times, and I can only say that NAFA expected to face these challenges together with you and work towards a brighter future for the trade.

At this time, we are committed to working under the oversight of the court appointed Monitor to manage the affairs of NAFA in the best interest of our stakeholders, and hope that this restructuring period will result in a positive outcome for us all.

I wish you all the best in your operations going forward, and on behalf of the NAFA family, thank you for your patronage, trust and friendship.

Douglas Lawson
President & CEO

19-11-06