2021 Wild Fur Market Update

All of us will be grateful to have the year 2020 in the rear view mirror. The events that have taken place in the past year impacting our industry have been epic. The fall of NAFA and the COVID-19 outbreak were two enormous events that took everyone by surprise. The wild fur industry was deeply impacted by these events, but not nearly as damaged as the ranch mink industry has been. As of now, millions of mink in Europe have been killed and destroyed as countless farms have been infected with COVID-19. It seems ranch mink are very susceptible to the virus. As well, several farms in the United States have tested positive also. In Denmark the numbers of mink being destroyed are in the millions. When the dust settles the global production of ranch mink is likely to be around 15 million. This is a far cry from the 100 million being produced just a couple of years ago.

We have done our best to sell and get our trappers paid, and to get product to those needing it and this has been a challenge. However, things are picking up as China over the past month has really improved. Internet sales in China of fur garments and fur accessories are at all time record levels. As well, sales at retail shops in China have also picked up. At this moment long haired goods such as coyotes and foxes are doing the best, but there is also strong interest in muskrats. We expect heavy coon in the better sections and bigger sizes to start moving also.

We are optimistic that with winter approaching Korea will start to ramp up as well and items such as sables and lynx cats will be in demand.

Here in North America wolves, wolverine and quality bears will once again sell strongly. Beaver will sell and the fact that Fur Harvesters Auction is selling castoreum at the highest levels in history helps. These price levels are expected to continue for 2021 as beaver production has been down.

All other items of wild fur will start to move once travel restrictions are lifted, allowing global travel to resume. Here in Canada, rapid testing is going to be implemented before the yearend resulting in travelers testing negative being allowed in without needing to quarantine the mandatory 14 days.

Wild fur is witnessing a far faster recovery than the ranch fur industry. Wild fur populations are not being impacted by the COVID-19 virus at all.

Over the past year we have secured a great deal of additional warehousing equipment from NAFA, as well as a few key former employees and a warehouse in Winnipeg. We are on solid ground and are well prepared for the future and view it positively knowing that things are going to get better.

This past year has been a test to all of us and as trappers we have weathered the storm far better than most in the world. This has been just another obstacle to conquer and like all the others before we are stronger because of it.

Respectfully,

Mark Downey
Chief Executive Officer
Fur Harvesters Auction Inc.

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2021 AUCTION SCHEDULE

<table>
<thead>
<tr>
<th>LAST RECEIVING DATES</th>
<th>SALE DATES</th>
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<tbody>
<tr>
<td>January 16, 2021</td>
<td>*March 15 - 17, 2021</td>
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<tr>
<td>April 17, 2021</td>
<td>*May 31 - June 2, 2021</td>
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*Sales will be held in North Bay, Canada.