

WILD FUR MARKET UPDATE – JANUARY 2012

Fur Harvesters Auction Inc. once again set the market going into the 2011/2012 wild fur selling season. It was evident things were going to move well as we had a remarkable turn out of buyers representing all major international markets. This auction is always viewed by the International fur trade as an indicator of things to come and all were impressed with the overall results of our January auction.

Directly following our auction members of our team attended the Beijing Fur Fair Jan 10th to 13th and then onto Istanbul, Turkey for the annual Fur and Leather Fair Jan 17th to 19th. Interest at both these venues, was strongly energized as interest in ALL long haired items was evident.

Interest in beaver has really improved as optimism generated from our recent sale has buyers looking to fill orders at our upcoming March auction. FHA is known throughout the world as having the finest graded assortment of beaver in the world. It was a great pleasure to see signs of such a much needed improvement and interest in this very important article.

Otter continues to advance steadily upwards and should continue as production will not meet demand. Muskrat levels continue to climb as well much to everyone's amazement, as auction sales and prices paid in the country increase, fueled by China's interest in this item.

The trim trade is on fire so expect all fox species to be very strong as well as coyotes.

FHA has the finest collection of sables on this continent and the vast majority of Northern Canada's and Alaska's production is sold through North Bay. We are in a prime position to sell sables this year as our auction directly follows the two most important fur fairs on the planet. Our team will once again be at both Hong Kong and Milan Fairs advertizing our exclusive offering being offered March 23rd in Seattle. Sable is a prestigious luxury item and has been selling well at the retail level in both Russia and China. The all important Sojuzpushnina sable auction in St Petersburg, Russia will be an important indicator as they sell Jan 31st to Feb 2nd. If results are strong at this auction it will carry over to our sable.

For the past several years FHA has realized the strongest lynx averages annually. The addition of Western Canadian Raw Fur Auctions vast shipper list and agent network helped tremendously, as we now draw from the finest regions of Canada's north and Alaska. All international buyers needing quality lynx know where to find them and this helps all FHA Lynx shippers.

Over the past several years FHA has been working on building our reputation as the finest cat house in the world. Our lynx cat collection of last season was considered to be the finest seen in the world by every buyer we encountered. Our May 2011 auction witnessed FHA selling many lots over \$1,000 and a few lots hitting the \$1,200 mark, the highest prices and averages recorded in history. Cats from the higher elevations and western states will once again sell well. Indications are that last year's levels may be a bit steep. Depending on cat production and how well the Hong Kong and Milan Fairs go will all have a big impact on this high end item. Canadian cats should sell well, close to last year's levels as will the flatter well spotted cats of the west Texas type.

Raccoon has had a slow start but we are optimistic that the larger sizes and better colors and sections will move. Our NEW COLLECTION and GRADING FACILITY in Wisconsin headed up by Greg Schroeder has turned out to be a tremendous success story. Having just opened the doors this past summer production levels have far and away surpassed our wildest expectations. Our March raccoon collection will be the finest offering in our company's history.

As of this day we have written a record number of Visa invitation letters from Russian and Chinese buyers wanting to attend our March auction in Seattle.

In closing you have seen me use the term "TEAM" several times. It is a difficult task to build a winning team, a group of energized and competitive individuals that work well together. This is why we are what we are and continue to grow with each passing season. Our team is optimistic that through our efforts and your growing support this year will be a remarkable one.

Respectfully
Mark Downey