

***THIS IS NOT A LETTER OF TRANSMITTAL. THIS NOTICE OF GUARANTEED DELIVERY IS FOR USE IN ACCEPTING THE OFFER BY DANIER LEATHER INC. TO PURCHASE FOR CANCELLATION UP TO CDN\$10 MILLION IN VALUE OF SUBORDINATE VOTING SHARES OF DANIER LEATHER INC.***

## **NOTICE OF GUARANTEED DELIVERY**

**for Deposit of Subordinate Voting Shares**

**of**

**DANIER LEATHER INC.**

**under the Offer to Purchase dated October 23, 2012 by Danier Leather Inc.**

**THE OFFER WILL BE OPEN FOR ACCEPTANCE UNTIL 7:00 P.M. (TORONTO TIME) (THE "EXPIRY TIME") ON NOVEMBER 28, 2012, OR SUCH LATER TIME AND DATE TO WHICH THE OFFER MAY BE EXTENDED BY DANIER, UNLESS VARIED OR WITHDRAWN (THE "EXPIRY DATE").**

**USE THIS NOTICE OF GUARANTEED DELIVERY IF YOU WISH TO ACCEPT THE OFFER BUT:**

- 1. YOUR SHARE CERTIFICATE(S) ARE NOT IMMEDIATELY AVAILABLE; OR**
- 2. YOU CANNOT COMPLETE THE BOOK-ENTRY TRANSFER PROCEDURES PRIOR TO THE EXPIRY TIME; OR**
- 3. YOU ARE NOT ABLE TO DELIVER YOUR SHARE CERTIFICATE(S) AND ALL OTHER REQUIRED DOCUMENTS TO THE DEPOSITARY PRIOR TO THE EXPIRY TIME.**

This Notice of Guaranteed Delivery (the "**Notice of Guaranteed Delivery**"), or a manually executed photocopy thereof, may be used to accept the offer (the "**Offer**") made by Danier Leather Inc. ("**Danier**" or the "**Corporation**") to purchase for cancellation from holders ("**Shareholders**") of subordinate voting shares of Danier (the "**Shares**") for cash up to Cdn\$10 million in value of its Shares, pursuant to (i) auction tenders at prices specified by the depositing Shareholders of not less than Cdn\$12.55 and not more than Cdn\$13.30 per Share ("**Auction Tenders**"), in increments of Cdn\$0.15 per Share, as specified by such Shareholder, or (ii) purchase price tenders without specifying a price ("**Purchase Price Tenders**"), in either case upon the terms and subject to the conditions set forth in the offer to purchase dated October 23, 2012 (the "**Offer to Purchase**") and accompanying circular (the "**Circular**" and together with the Offer to Purchase, collectively, the "**Offer and Circular**") and in this Notice of Guaranteed Delivery and the letter of transmittal (the "**Letter of Transmittal**"). Use this Notice of Guaranteed Delivery only if (i) certificate(s) representing the Shares to be deposited are not immediately available, (ii) the book-entry transfer procedures set forth in Section 4 of the Offer to Purchase entitled "Procedure for Depositing Shares" cannot be completed prior to the Expiry Time, or (iii) time will not permit all required documents to reach Computershare Investor Services Inc. (the "**Depositary**") prior to the Expiry Time. **This Notice of Guaranteed Delivery may be delivered by hand, courier or mail, or transmitted by facsimile transmission to the office of the Depositary in Toronto, Ontario set forth in this Notice of Guaranteed Delivery. See Section 4 of the Offer to Purchase entitled "Procedure for Depositing Shares – Procedure for Guaranteed Delivery".**

The terms and conditions of the Offer and Circular and the Letter of Transmittal form part of and are incorporated by reference into this Notice of Guaranteed Delivery. Capitalized words and defined terms used but not otherwise defined in this Notice of Guaranteed Delivery which are defined in the Offer and Circular have the respective meanings ascribed thereto in the Offer and Circular and grammatical variations thereof have corresponding meanings. In the case of any inconsistency between the terms of this Notice of Guaranteed Delivery and the Offer to Purchase, the terms of the Offer to Purchase will prevail. All references to "\$", "Cdn\$" and "dollars" in this Notice of Guaranteed Delivery mean Canadian dollars, unless otherwise indicated.

Any questions or requests for assistance may be directed to the Depository at its Toronto, Ontario office address set forth in this Notice of Guaranteed Delivery or at Toll Free: 1-800-564-6253 or E-mail: [corporateactions@computershare.com](mailto:corporateactions@computershare.com). Shareholders may also contact the Dealer Manager at its address and telephone and facsimile numbers set forth at the end of this Notice of Guaranteed Delivery. Additional copies of the Offer and Circular, the Letter of Transmittal and this Notice of Guaranteed Delivery may be obtained from the Depository. Manually executed photocopies of the Letter of Transmittal and this Notice of Guaranteed Delivery will be accepted. Shareholders may also contact their investment dealer, stock broker, commercial bank, trust company or other intermediary for assistance concerning the Offer.

**DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN THE TORONTO, ONTARIO ADDRESS OF THE DEPOSITARY SET FORTH IN THIS DOCUMENT WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY. YOU MUST SIGN THIS NOTICE OF GUARANTEED DELIVERY IN THE APPROPRIATE SPACE PROVIDED BELOW, AND MUST INCLUDE A GUARANTEE BY AN ELIGIBLE INSTITUTION, AND MUST DELIVER A LETTER OF TRANSMITTAL AND THE CERTIFICATE(S) REPRESENTING YOUR SHARES TO THE TORONTO, ONTARIO OFFICE ADDRESS OF THE DEPOSITARY, AS MORE FULLY DESCRIBED BELOW.**

### **WHEN AND HOW TO USE THIS NOTICE OF GUARANTEED DELIVERY**

If a Shareholder wishes to deposit Shares pursuant to the Offer and cannot deliver certificates for such Shares, or the book-entry transfer procedures described in the Offer and Circular cannot be completed prior to the Expiry Time, or time will not permit all required documents to reach the Depository prior to the Expiry Time, such Shares may nevertheless be deposited if all the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution (as defined below);
- (b) this properly completed and duly executed Notice of Guaranteed Delivery (or a manually executed photocopy thereof), is received by the Depository at its office in Toronto, Ontario as set forth on the back cover page of this Notice of Guaranteed Delivery, prior to the Expiry Time; and
- (c) the certificates for all deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof), relating to such Shares, with signatures guaranteed by an Eligible Institution if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal, are received by the Depository at its Toronto, Ontario office address set forth on the back cover page of the Letter of Transmittal before 5:00 p.m. (Toronto time) on or before the third trading day on the TSX after the Expiry Date.

**This Notice of Guaranteed Delivery may be delivered by hand, courier or mail, or transmitted by facsimile transmission to the office of the Depository in Toronto, Ontario, as set out in this Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in this Notice of Guaranteed Delivery. Delivery of this Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Shares and all other required documents to any office other than the Toronto, Ontario office of the Depository specified in this Notice of Guaranteed Delivery and the Letter of Transmittal, as applicable, does not constitute delivery for purposes of satisfying a guaranteed delivery.**

An "Eligible Institution" means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States.

**This Notice of Guaranteed Delivery must be followed by delivery of a properly completed and duly executed Letter of Transmittal and the certificate(s) representing your Shares to the Toronto, Ontario office address of the Depository listed in the Letter of Transmittal, before 5:00 p.m. (Toronto time) on or before the third trading day on the TSX after the Expiry Date.**

**TO: DANIER LEATHER INC.**  
**AND TO: COMPUTERSHARE INVESTOR SERVICES INC., as Depositary**

<p><b>By Regular Mail:</b>  P.O. Box 7021  31 Adelaide Street East  Toronto, Ontario  M5C 3H2  Attention: Corporate Actions</p>	<p><b>By Hand or Courier:</b>  100 University Avenue  9th Floor  Toronto, Ontario  M5J 2Y1  Attention: Corporate Actions</p>	<p><b>By Facsimile:</b>  905-771-4082</p>
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**This Notice of Guaranteed Delivery may be delivered by hand, courier or mail, or transmitted by facsimile transmission to the office of the Depositary in Toronto, Ontario, as set out in this Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in this Notice of Guaranteed Delivery.**

**This Notice of Guaranteed Delivery is not to be used to guarantee signatures on the Letter of Transmittal. If a signature on the Letter of Transmittal is required to be guaranteed by an Eligible Institution, such signature must appear on the applicable space on the Letter of Transmittal.**

**DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY. SHARE CERTIFICATES MUST BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

The undersigned hereby deposits to the Corporation, in the manner and at the price per Share indicated below, net to the Shareholder in cash (subject to applicable withholding taxes, if any), upon the terms and subject to the conditions set forth in the Offer and Circular and the related Letter of Transmittal and this Notice of Guaranteed Delivery, receipt of which is hereby acknowledged, the number of Shares indicated below pursuant to the guaranteed delivery procedures set forth in Section 4 of the Offer to Purchase entitled "Procedure for Depositing Shares – Procedure for Guaranteed Delivery". The following are the details of the deposited Shares:

<b>BOX 1</b>			
<b>SUBORDINATE VOTING SHARES*</b>			
(Please print or type. If space is insufficient, please attach a list to this Notice of Guaranteed Delivery in the form below.)			
Certificate Number(s) (If available)	Name(s) in which Registered (please print and fill in exactly as name(s) appear(s) on certificate(s))	Number of Shares Represented by Certificate	Number of Shares Deposited*
TOTAL:			
<p>* Unless otherwise indicated, the number of Shares evidenced by all certificates referenced above will be deemed to have been deposited. If you wish to deposit fewer than all of the Shares evidenced by all certificates listed above, indicate in the fourth column the number of Shares you wish to deposit. See Instruction 9 of the Letter of Transmittal.</p>			

**IMPORTANT: This Notice of Guaranteed Delivery (or a manually executed photocopy thereof), properly completed and duly executed and guaranteed by an Eligible Institution, must be received by the Depository at its Toronto, Ontario office address prior to the Expiry Time. Thereafter, the certificate(s) representing the deposited Shares along with the properly completed and duly executed Letter of Transmittal and all other documents required by the Letter of Transmittal must be received by the Depository at its Toronto, Ontario office address before 5:00 p.m. (Toronto time) on or before the third trading day on the TSX after the Expiry Date.**

**Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Shares and all other required documents to any office other than the Toronto, Ontario office of the Depository specified in this Notice of Guaranteed Delivery and Letter of Transmittal, as applicable, does not constitute delivery for purposes of satisfying a guaranteed delivery.**

The Eligible Institution which completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for Shares to the Depository within the time period shown herein. Failure to do so could result in a financial loss to such institution.

The undersigned understands and acknowledges that payment for Shares deposited and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of certificate(s) for such Shares, a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares, with the signatures guaranteed if required, and all other documents required by the Letter of Transmittal before 5:00 p.m. (Toronto time) on or before the third trading day on the TSX after the Expiry Date. The undersigned also understands and acknowledges that under no circumstances will interest accrue or be paid by the Corporation, the Depository or the Dealer Manager to persons depositing Shares regardless of any delay in making payment for any Shares or otherwise, including any delay in making payment to any person using the guaranteed delivery procedures, and that payment for Shares deposited pursuant to the guaranteed delivery procedures will be the same as that for Shares delivered to the Depository on or prior to the Expiry Date, even if the Shares to be delivered pursuant to the guaranteed delivery procedures set forth in Section 4 of the Offer to Purchase entitled "Procedure for Depositing Shares", are not so delivered to the Depository at such date and, therefore, payment by the Depository on account of such Shares is not made until after the date the payment for the deposited Shares accepted for payment pursuant to the Offer is to be made by the Corporation.

The undersigned acknowledges that all authority conferred or agreed to be conferred by this Notice of Guaranteed Delivery is irrevocable and may be exercised during any subsequent legal incapacity of the undersigned and shall, to the extent permitted by applicable law, survive the death or incapacity, bankruptcy or insolvency of the undersigned and all obligations of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

**SHAREHOLDER SIGNATURE(S)**

\_\_\_\_\_  
Signature(s) of Registered Shareholder(s)

\_\_\_\_\_  
Name(s) of Registered Shareholder(s) (print or type)

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address(es)

\_\_\_\_\_  
Postal Code/Zip Code

\_\_\_\_\_  
Daytime Telephone Number

**GUARANTEE**

*(Not to be used for signature guarantee)*

The undersigned, a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP), guarantees to deliver to the Depository at its address set forth in this Notice of Guaranteed Delivery, the certificate(s) representing the Shares deposited hereby, in proper form for transfer, with delivery of a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) and any other required documents, before 5:00 p.m. (Toronto time) on or before the third trading day on the TSX after the Expiry Date.

Name of Firm \_\_\_\_\_

Address of Firm \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Postal Code or Zip Code)

Area Code and Tel. No. \_\_\_\_\_

Email Address \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Name \_\_\_\_\_  
(please type or print)

Title \_\_\_\_\_

Date \_\_\_\_\_

The undersigned understands that it should indicate whether the Shares are deposited pursuant to an Auction Tender or a Purchase Price Tender by completing Box A, "Type of Tender". If you do not make a valid Auction Tender or Purchase Price Tender, you will be deemed to have made a Purchase Price Tender.

The tender information specified in this Notice of Guaranteed Delivery will, in all circumstances, take precedence over any inconsistent tender information that is specified in the related Letter of Transmittal that is subsequently deposited.

<p><b>BOX A</b>  <b>TYPE OF TENDER</b>  <b>(Check only one box)</b></p>	
<p><input type="checkbox"/> An Auction Tender (Please complete Box B)</p>	<p><input type="checkbox"/> A Purchase Price Tender</p>
<p><b>* Failure to complete Box A or failure to check a box indicating the price per Share at which Shares are being deposited in Box B will result in the Shares being deposited pursuant to a Purchase Price Tender.</b></p>	

<p><b>BOX B</b>  <b>AUCTION TENDER</b>  <b>PRICE (IN CANADIAN DOLLARS) PER SHARE</b>  <b>AT WHICH SHARES ARE BEING DEPOSITED</b></p>	
<p>This box <b>MUST</b> be completed if Shares are being deposited pursuant to an Auction Tender. Any Shares deposited pursuant to a Notice of Guaranteed Delivery that indicates more than one price for Shares deposited pursuant to an Auction Tender will be deemed to have been deposited at the lowest applicable price indicated.</p> <p>Shade the appropriate box to indicate an Auction Tender price. Check only one box.</p> <p style="text-align: center;">PRICE MUST BE IN CANADIAN DOLLARS</p>	
<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>\$12.55</p> <p>\$12.70</p> <p>\$12.85</p> <p>\$13.00</p> <p>\$13.15</p> <p>\$13.30</p>
<p>If portions of shareholdings are being deposited at different prices, use a separate Notice of Guaranteed Delivery for each price specified. See Instruction 5 of the Letter of Transmittal for further details.</p>	

<p><b>BOX C</b>  <b>ODD LOTS</b>  <b>(See Instruction 6 of the Letter of Transmittal)</b></p>	
<p>To be completed <b>ONLY</b> if Shares are being deposited by or on behalf of persons owning beneficially an aggregate of fewer than 100 Shares (being an "Odd Lot") as of the close of business on the Expiry Date.</p> <p>The undersigned either (check one):</p>	
<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>will be the beneficial owner of an aggregate of fewer than 100 Shares as of the close of business on the Expiry Date, all of which are deposited, or</p> <p>is a broker, dealer, commercial bank, trust company or other intermediary that (i) is depositing, for the beneficial owners thereof, Shares with respect to which it is the record owner, and (ii) believes, based upon representations made to it by each such beneficial owner, that such beneficial owner will own an aggregate of fewer than 100 Shares as of the close of business on the Expiry Date and is depositing all of such Shares.</p>

**The Depository for this Offer is:**



**Computershare Investor Services Inc.**

**By Regular Mail:**

Computershare Investor Services Inc.  
P.O. Box 7021  
31 Adelaide Street East  
Toronto, Ontario  
M5C 3H2  
Attention: Corporate Actions

**By Hand or Courier:**

Computershare Investor Services Inc.  
100 University Avenue  
9th Floor  
Toronto, Ontario  
M5J 2Y1  
Attention: Corporate Actions

**By Facsimile:**

905-771-4082

Toll Free: 1-800-564-6253  
E-mail: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)

**The Dealer Manager for this Offer is:**



**GMP Securities L.P.**

145 King Street West  
Suite 300  
Toronto, Ontario  
M5H 1J8

Telephone: 416-943-6130  
Fax: 416-943-6134

Email: [ecm@gmpsecurities.com](mailto:ecm@gmpsecurities.com)

Any questions or requests for assistance may be directed to the Depository or the Dealer Manager at the addresses and telephone and facsimile numbers set forth above. Additional copies of the Offer to Purchase and Circular, the Letter of Transmittal and this Notice of Guaranteed Delivery may be obtained from the Depository. Manually executed photocopies of the Letter of Transmittal and this Notice of Guaranteed Delivery will be accepted. Shareholders may also contact their investment dealer, stock broker, commercial bank, trust company or other intermediary for assistance concerning the Offer.