

Cause No.: S/M/92/07

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
TRIAL DIVISION
JUDICIAL DISTRICT OF SAINT JOHN

BETWEEN:

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

and

IN THE MATTER OF THE
APPLICATION OF ATLANTIC YARNS
INC., a body corporate and ATLANTIC
FINE YARNS INC., a body corporate,
(collectively "the Applicants")

**Creditor Meeting Notice and
Sanction Hearing Notice**

February 21, 2008

TAKE NOTICE THAT

The following meetings of Affected Creditors will be held on April 2, 2008 for the purpose of considering approving the Plan and to transact such other business as may properly come before the Creditor Meetings.

The Creditor Meetings will be held as follows:

Creditors	Time of Meeting	Location of Meeting
Unsecured Creditors	1000 hours	Delta Brunswick Hotel 39 King Street Saint John, NB E2L 4W3
Secured Creditors	1400 hours	PricewaterhouseCoopers Inc. 44 Chipman Hill, Suite 301 Saint John, NB E2L 4B9

SANTION HEARING

AND TAKE NOTICE THAT

There will be a Sanction Hearing pursuant to the Creditor Meeting Order, at which hearing the Applicants will seek court approval of the Plan at a Motion for a Sanction Order, which motion shall be returnable before this Court at 9:30 a.m. on Friday April 11, 2008.

For full details, please refer to the Creditor Meeting Order dated February 20, 2008.

Information will be posted on the website of the Monitor www.pwc.com/car-atlyarns on a regular basis.

Further Information

If you have any questions regarding the process or any of the enclosed forms, please contact the Monitor at your earliest convenience. Email queries may be addressed to Robert.smith@ca.pwc.com and email questions will be answered in priority. Telephone queries should be routed to Bruce Munford at 506.653.9409.

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