FORM 51-102F3

NATIONAL INSTRUMENT 51-102

MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Ridley Inc.
17 Speers Road
WINNIPEG MB R2J 1M1

ITEM 2 Date of Material Change:

July 23, 2004

ITEM 3 News Release:

A news release dated July 23, 2004 was released from Mankato, Minnesota and Winnipeg, Manitoba, and disseminated via CCNMatthews.

ITEM 4 Summary of Material Change:

Ridley Inc. (**www.ridleyinc.com**), one of the largest commercial animal nutrition companies in North America, today announced the signing of a definitive agreement to acquire the assets of the livestock feed supplement business of Sweetlix, LLC for US$16.7 million, subject to certain adjustments made at close. The acquisition makes Ridley one of the largest manufacturers of free-choice feed supplement blocks in North America.

ITEM 5 Full Description of Material Change:

"We are pleased to add the recognized strength of the Sweetlix® label and its manufacturing, distribution and brand awareness to the Ridley portfolio of animal nutrition products," said Robert B. Gallaway, President and Chief Executive Officer of Ridley Inc. "The addition of the Sweetlix® line of feed supplement blocks enhances Ridley's sales presence and distribution system in the Southern and Eastern U.S., and further strengthens Ridley's ability to fully utilize our extensive research activities to develop and market free-choice supplements. The combined volume of Sweetlix, LLC and our existing Block business provides a number of opportunities to develop synergies, including increased purchasing power for raw materials, packaging and marketing."

Sweetlix, LLC includes three manufacturing facilities located in Montgomery, Alabama; Syracuse, Indiana; and Fort Worth, Texas. Ridley's expanded manufacturing capabilities will improve flexibility and provide additional capacity for future growth. Ridley now has the capability to manufacture low moisture blocks, pressed blocks, poured blocks and bagged minerals for beef, dairy, equine, bison, wildlife, sheep and goats.

"The addition of Sweetlix® creates a stronger product mix, giving producers the flexibility to supplement their nutrition programs with a wider variety of product alternatives to meet the requirements of varying livestock management and production methods. Ridley now provides the most extensive range of free-choice supplement product options in the industry," Gallaway stated.

The Sweetlix® brand name has been in existence for more than 40 years and has pioneered many livestock nutritional innovations. The company has developed several U.S. Environmental Protection Agency (EPA) and Food and Drug Administration (FDA) approved products, which are proprietary to Sweetlix® and are an important component of this transaction. Obtaining EPA and FDA approvals for such products can be a time-consuming and expensive process.

"Ridley has developed an extensive research program over the last several years, resulting in several new patents or patent pending applications. We plan to involve the Sweetlix® line of feed supplement blocks in our future research plans," stated Bob Frost, Executive Vice-President of Ridley Inc.

The company anticipates the acquisition will close on July 30, 2004.

ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

ITEM 7 Omitted Information:

Not applicable.

ITEM 8 Executive Officer:

For further information please contact J. D. Richardson, Corporate Secretary of Ridley Inc. at (204) 956-1717.

ITEM 9 Date of Report:

Dated at Winnipeg, Manitoba this 27th Day of July, 2004.

RIDLEY INC.

J.D. Richardson

J.D. Richardson
Corporate Secretary