

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:

October 18, 2012

ITEM 3 News Release:

A news release dated October 18, 2012 was issued by Ridley Inc. from Mankato, Minnesota and Winnipeg, Manitoba, and disseminated via Marketwire.

ITEM 4 Summary of Material Change:

Masterfeeds Inc. and Ridley Inc. (TSX:RCL) announced October 18, 2012, an agreement that will merge their respective commercial livestock and poultry feed and nutrition businesses in Canada into a new entity called Masterfeeds LP. The combination of Masterfeeds and Ridley's Canadian feed business, which operates as Feed-Rite, will create the second largest feed provider in Canada.

ITEM 5 Full Description of Material Change:

LONDON, ONTARIO and MANKATO, MINNESOTA – (October 18, 2012) – Masterfeeds Inc. and Ridley Inc. (TSX:RCL) announced today an agreement that will merge their respective commercial livestock and poultry feed and nutrition businesses in Canada into a new entity called Masterfeeds LP.

The combination of Masterfeeds and Ridley's Canadian feed business, which operates as Feed-Rite, will create the second largest feed provider in Canada. The new entity will operate, among other things, 22 feed manufacturing plants and employ over 500 people in a business spanning across Quebec, Ontario and the Prairie Provinces. Masterfeeds LP will be headquartered in London, Ontario and led by current Masterfeeds Inc. Chief Executive Officer, Rob Flack.

"Masterfeeds and Feed-Rite are two of the most respected brand names in Canadian animal agriculture," said Flack. "We are excited about bringing the strengths of both companies together as we continue to serve our dealers and customers with dynamic feeding solutions and a larger, more efficient geographic footprint in Canada. As Canadian meat, milk and egg producers have become

fewer, larger and ever more sophisticated, it has been obvious for some time that the feed industry in Canada would benefit from a similar transformation. As the feed industry evolves, we expect there to be more opportunities for Masterfeeds LP to grow in the future,” added Flack.

“The Feed-Rite name will celebrate its 75th anniversary in Canada next year,” stated Ridley CEO Steve VanRoekel. “Ridley’s commitment to the long-term in Canada has been unwavering since we acquired the business nearly 20 years ago. We’ve never hesitated to make the changes necessary to maintain a competitive advantage, and this merger puts all stakeholders in the Feed-Rite organization in a position for even more opportunity going forward.”

Each of Masterfeeds Inc. and Ridley Inc. will contribute essentially all of their Canadian feed operating assets in exchange for relative shareholdings in Masterfeeds LP. That transfer is expected to result in no material impact overall to Ridley’s balance sheet, nor is it expected to have any material effect on the structure or other operations of Ridley Inc. Both parties expect the merger to result in significant new synergies over time. Completion of the merger is expected to take 30-45 days and is subject to the execution of definitive agreements and normal conditions including regulatory approvals.

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

Not applicable.

ITEM 7 Omitted Information:

Not applicable.

ITEM 8 Executive Officer:

For further information please contact K. B. Campbell, Corporate Secretary of RIDLEY Inc. at (507) 388-9421.

ITEM 9 Date of Report:

Dated at Toronto, Ontario this 24th Day of October 24, 2012.