FORM 51-102F3
Material Change Report

1. Name and Address of Company

RYU Apparel Inc. (the "**Company**")
1672 West 2nd Avenue
Vancouver, BC V6J 1H4

2. Date of Material Change

November 8, 2016 and November 14, 2016.

3. News Release

The November 8, 2016 news release was disseminated through CNW on November 8, 2016 and the November 16, 2016 news release was disseminated through Market News and Stockwatch on November 16, 2016.

4 Summary of Material Change

On November 8, 2016, the Company announced that intends to settle debt (the "**Debt Settlement**") in the amount of $710,000 in exchange for the issuance of 5,680,000 units of the Company (each, a "**Unit**"). Each Unit will be issued at a deemed price of $0.125 and will consist of one common share and one share purchase warrant (each, a "**Warrant**"). Each Warrant shall entitle Mr. Leone to purchase one additional common share at a price of $0.20 per share for a period of two (2) years from closing, subject to an acceleration provision. On November 16, 2016, the Company announced the closing of the Debt Settlement.

5. Full Description of Material Change

5.1 Full Description of Material Change

See Item 4 above and the attached news releases for a full description of the material change.

The Creditor is a "related party" to the Company under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Accordingly, the Debt Settlement between the Company and the creditor is a "related party transaction" under MI 61-101. The board of directors of the Company has determined that neither the value of the shares to be issued nor the aggregate debt to be settled in connection with the Debt Settlement will exceed 25% of the Company's market capitalization on the date hereof. As a result, the Debt Settlement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

The purpose of the Debt Settlement is to reduce the Company's liabilities whilst preserving its cash. The Company does not anticipate any material effect on the Company's business and affairs.

This material change report is being filed less than 21 days before the closing of the transaction. This shorter period is reasonable and necessary in the circumstances as the Company wished to complete the transaction in a timely manner.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

Marcello Leone, CEO, President and Chairman of the Board, 604.235.2880

9. Date of Report

November 16, 2016

RYU Apparel Announces Units for Debt Transaction

VANCOUVER, Nov. 8, 2016 /CNW/ - RYU Apparel Inc. (the "**Company**") (TSX VENTURE: RYU & Frankfurt Stock Exchange: RYA), a global, tailored urban athletic apparel and accessories brand engineered for the fitness, training and performance of the multi-discipline athlete, announces its intention to settle debt (the "**Debt Settlement**") in the amount of $710,000 owed by the Company to Marcello Leone, the Company's CEO, President and Chairman of the Board, in exchange for 5,680,000 units of the Company (each, a "**Unit**"). Each Unit will be issued at a deemed price of $0.125 and will consist of one common share and one share purchase warrant (each, a "**Warrant**"). Each Warrant shall entitle Mr. Leone to purchase one additional common share at a price of $0.20 per share for a period of two (2) years from closing, subject to an acceleration provision. The proposed Debt Settlement is subject to final approval of the TSX Venture Exchange.

As the Units will be issued to a director and officer of the Company, the Debt Settlement will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The board of directors of the Company (the "**Board**") has determined that neither the value of the Units to be issued nor the aggregate debt to be settled in connection with the Debt Settlement will exceed 25% of the Company's market capitalization on the date hereof. As a result, the Debt Settlement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

For regular updates on RYU Apparel visit: http://ryu.com

About RYU
RYU Apparel Inc. is tailored innovation for the urban athlete. Designed without compromise, RYU engineers apparel and accessories for the fitness and training of the multi-discipline athlete. Created for athletes by athletes, RYU exists to facilitate human performance. For more information, visit: http://ryu.com

On Behalf of the Board

RYU APPAREL INC.
"*Marcello Leone*"
Marcello Leone, CEO, President and Chairman of the Board
Tel: 604-235-2880

This news release contains forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company, such as statements that the Company intends to complete the Debt Settlement. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information, including agreement on the final terms of the Debt Settlement and regulatory approval. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE RYU Apparel Inc.

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For further information: Investor Relations: Contact: Anna Brazier, Investor Relations, 1-844-535-2880, investors@ryu.com, www.ryu.com; For Media inquiries, contact: Katie Stevens, 778-686-0906, katies@talkshopmedia.com

CO: RYU Apparel Inc.

CNW 11:16e 08-NOV-16

1672 WEST 2ND AVENUE
VANCOUVER BC V6J 1H4
604 235 2880
RYU.COM

RYU Apparel Announces Closing of Units for Debt Transaction

Vancouver, BC – November 16, 2016 – RYU Apparel Inc. (the "**Company**") (TSX VENTURE: RYU & Frankfurt Stock Exchange: RYA), a global, tailored urban athletic apparel and accessories brand engineered for the fitness, training and performance of the multi-discipline athlete, announces further to its news release dated November 8, 2016 it has closed the debt settlement in the amount of $710,000 owed by the Company to Marcello Leone, the Company's CEO, President and Chairman of the Board, in exchange for 5,680,000 units of the Company (each, a "**Unit**"). Each Unit will be issued at a deemed price of $0.125 and will consist of one common share and one share purchase warrant (each, a "**Warrant**"). Each Warrant shall entitle Mr. Leone to purchase one additional common share at a price of $0.20 per share for a period of two (2) years from closing, subject to an acceleration provision.

As the Units were issued to a director and officer of the Company, the debt settlement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The board of directors of the Company has determined that neither the value of the Units to be issued nor the aggregate debt settled in connection with the debt settlement will exceed 25% of the Company's market capitalization on the date hereof. As a result, the debt settlement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

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On Behalf of the Board

RYU APPAREL INC.
"Marcello Leone"
Marcello Leone, CEO, President and Chairman of the Board
Tel: 604-235-2880

Investor Relations
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RESPECT YOUR UNIVERSE

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