

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

March 28, 2017

3. News Release

The news release was disseminated through CNW Group Ltd. on March 29, 2017.

4 Summary of Material Change

On March 28, 2017, the Company announced the creation of an Advisory Board, the grant of stock options and shares for services.

Corporate Advisory Board

The Advisory Board will advise the Company from time to time on issues as requested by the Company, including (a) providing strategic advice on the direction and strategy of the Company, (b) advising and assisting with business development by and for the Company, (c) facilitating introductions between the Company and third parties who may be in a position to assist in furthering the goals of the Company, and (d) such other matters as may be agreed to by the Company and the Advisor from time to time. The Company announced the appointment of Ms. Lani Martin, MBA and Mr. John Campbell, CPA, MBA, CFA as the first members of the Advisory Board, effective March 28, 2017. Both individuals are shareholders and proud supporters of the RYU brand. In connection with Ms. Martin and Mr. Campbell's appointments, the Company entered into Corporate Advisor Agreements dated March 28, 2017, whereby, among other terms, the Company agreed to grant each of them 100,000 stock options at the exercise price of \$0.15 per common share until expiry on March 28, 2020.

Stock Option Grant

The Company announced that it has granted 1,350,000 stock options to its executive officers, 450,000 stock options to its directors, 900,000 to employees, and 700,000 stock options to consultants (including the amounts for Ms. Martin and Mr. Campbell) for the purchase of up to an aggregate 3,400,000 common shares of the Company, pursuant to its Stock Option Plan, at a price of \$0.15 per common share. Common shares issuable upon the exercise of stock options held by directors and offers of the Company will be subject to an Exchange Hold Period of four months and one day from the date of the grant of the stock options. Each option granted to executive officers, directors and certain consultants is exercisable for a period of ten years and each option granted to employees is exercisable for a period of five to ten years. These stock options vest as follows: (i) 1,700,000 stock options vest immediately, (ii) as to 1,200,000 stock options, 25% immediately, 25% after 1 year, 25% after 2 years and 25% after 3 years. Each option granted to certain consultants and advisors is exercisable for a period of two to three

years. The stock options vest as follows: (i) 250,000 stock options vest immediately and (ii) 250,000 after 1 year.

Shares for Services

The Company also announced that it has, subject to TSX Venture Exchange approval, agreed to issue a total of 310,850 common shares at a deemed price of \$0.12 per common share to one consultant pursuant to a consulting agreement. Shares issuable to the consultant will be subject to a restricted hold period of four months and one day in accordance with applicable securities laws.

5. Full Description of Material Change

5.1 Full Description of Material Change

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

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

April 5, 2017

RYU Apparel Announces Creation of Advisory Board, Grant of Stock Options and Shares for Services

VANCOUVER, March 29, 2017 /CNW/ - RYU Apparel Inc. ("RYU" or the "Company") (TSX VENTURE: RYU & Frankfurt Stock Exchange: RYA), creator of tailored innovation for the urban athlete, is pleased to announce the creation of an Advisory Board, the grant of stock options and shares for services.

Corporate Advisory Board

The Advisory Board will advise the Company from time to time on issues as requested by the Company, including (a) providing strategic advice on the direction and strategy of the Company, (b) advising and assisting with business development by and for the Company, (c) facilitating introductions between the Company and third parties who may be in a position to assist in furthering the goals of the Company, and (d) such other matters as may be agreed to by the Company and the Advisor from time to time.

The Company is pleased to announce the appointment of Ms. Lani Martin, MBA and Mr. John Campbell, CPA, MBA, CFA as the first members of the Advisory Board, effective March 28, 2017. Both individuals are shareholders and proud supporters of the RYU brand.

Ms. Martin has nearly 30 years of experience in accountancy, investment banking, capital markets and private equity, with a particular focus on the apparel, retail and consumer products sectors. A graduate of the Ivey Business School at the University of Western Ontario, Ms. Martin worked at Price Waterhouse & Co. before joining Merrill Lynch and Bank of America Securities where she was Managing Director, Head of Apparel and Footwear Group for several years. During her career as an investment banker she provided advisory and execution advice across M&A and the equity, debt and high yield capital markets. She also played a leadership role advising companies in the apparel sector and executed multiple IPOs and other capital markets transactions as these companies accessed capital and evaluated strategic opportunities. Ms. Martin's experience has given her unique insights and expertise in the apparel retail and footwear categories. More recently, Ms. Martin has used her background and knowledge of finance to build a portfolio of private equity investments across several industries.

Mr. Campbell has over 34 years of experience in the investment industry, most recently as the Founder and President of Camlin Capital Inc., a hybrid merchant bank/private equity firm, and as a Founder and Chairman of TriView Capital Ltd., a boutique investment firm specializing in private investments. Previously he was a Managing Partner of Second City Capital Partners, a major private equity firm that invests in real estate, oil and gas and conventional private and public companies. Prior to Second City, he spent 9 years as the Founder, President, CEO and CIO of Camlin Asset Management Ltd., a specialty asset management firm that focused on investing in North American small capitalization companies. He also co-founded CWC Capital Ltd., a regional investment banking firm that, over 13 years, raised in excess of \$750 million in capital for companies based in Western Canada and the Pacific Northwest. Previously, Mr. Campbell acted as a Merger & Acquisition Specialist for The Jim Pattison Group, Canada's second largest private corporation, and as a Director of Research for Pemberton Securities Inc., a large regional brokerage firm. He also spent ten years as an Adjunct Professor at Simon Fraser University, teaching courses in entrepreneurial studies at the Executive MBA level and applied corporate finance in the Master of Technology MBA program.

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Each option granted to executive officers, directors and certain consultants is exercisable for a period of ten years and each option granted to employees is exercisable for a period of five to ten years. These stock options vest as follows: (i) 1,700,000 stock options vest immediately, (ii) as to 1,200,000 stock options, 25% immediately, 25% after 1 year, 25% after 2 years and 25% after 3 years.

Each option granted to certain consultants and advisors is exercisable for a period of two to three years. The stock options vest as follows: (i) 250,000 stock options vest immediately and (ii) 250,000 after 1 year.

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

About RYU

RYU Apparel Inc. is tailored innovation for the urban athlete. An award winning athletic apparel and accessories brand engineered for the fitness, training and performance of the multi-discipline athlete. Designed without compromise for comfort, style and durability, 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

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.

To view the original version on PR Newswire, visit: <http://www.newswire.ca/en/releases/archive/March2017/29/c2864.html>

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CO: RYU Apparel Inc.

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