RYU APPAREL INC.
(the "Company" or "RYU")
Management's Discussion & Analysis
for the three months ended March 31, 2017
Prepared as of April 28, 2017

INTRODUCTION

The following management's discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for the Company and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended March 31, 2017 and audited consolidated financial statements for the year ended December 31, 2016. Readers are encouraged to review the Company's consolidated financial statements in conjunction with this document, copies of which are filed on the SEDAR website at www.sedar.com. The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

As used in this MD&A and unless otherwise indicated, the terms "we", "us", "our", "Company", and "RYU" refer to RYU Apparel Inc. and our wholly-owned subsidiary Respect Your Universe Inc. Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

This MD&A contains forward-looking statements. Forward-looking statements may also be made in the Company's other reports filed with or furnished to the Canadian securities commissions. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. The words "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "likely", "may," "optimistic," "plan," "potential", "predict", "should," "would," and other similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance, and therefore you should not put undue reliance upon them. The material assumptions supporting these forward-looking statements include, among other things the Company's ability to:

- obtain any necessary financing on acceptable terms;
- keep pace with rapid changes in consumer demands;
- compete with other athletic apparel brands;
- rely on third party manufacturers;
- manage expansion effectively;
- enforce its intellectual property rights;
- launch additional product lines;
- retain its skilled personnel;
- manage current tax and regulatory regimes;
- manage the fluctuation in foreign currency exchange rates and interest rates; and
- follow general economic and financial market conditions.

Some of the factors that may cause actual results to differ materially from those indicated in these statements are found in the section "Risk Factors" in this MD&A.

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

OUR BUSINESS

RYU (Respect Your Universe) is a tailored urban athletic apparel brand that engages in the development, marketing, and distribution of apparel, bags and accessories. Our products are engineered for the fitness, training and performance of the multi-discipline athlete. Our products are designed, developed and tested at our corporate headquarters in Vancouver, BC, Canada, and our Beta 37.5 design lab in Squamish, BC, Canada. Production takes place in factories located in North America and Asia.

The RYU brand was created by a team of industry experts in 2015 that found a gap in the apparel market whereby the male athlete was underserved and the female athletic market was dominated by yoga-inspired brands. This team transformed the RYU brand to focus on the new Urban Athletic category. This is defined by the following key words that set the core pillars of our brand: *tailored, innovation,* and *urban athletic.*

RYU is an omni-channel retailer. In Canada, we sell our products at our three retail stores, through wholesale accounts, and online via our e-commerce site that can be reached at www.ryu.com. In the United States we sell our products online via our e-commerce site at www.ryu.com and through wholesale accounts.

OPERATIONAL AND BUSINESS HIGHLIGHTS

Operations highlights

Revenue for the three months ended March 31, 2017 was $467,003, 80% higher than revenue of $259,727 during the three months ended March 31, 2016. Our financial results have been encouraging with continued sales growth in 2017 and generating a positive 47% gross profit percentage in the first quarter of the year. First quarter results include 3 days of revenue from our Park Royal location, which opened March 28, 2017.

Revenues, cost of sales and gross profit during the three months ended March 31, 2017 and 2016 were as follows, with the following geographic breakdown:

	Three months ended March 31, 2017			Three months ended March 31, 2016 (Note 1)		
	Canada	United States	Total	Canada	United States	Total
Revenue	$ 382,543	$ 84,460	$ 467,003	$ 242,345	$ 17,382	$ 259,727
Cost of sales	201,494	46,253	247,747	116,695	8,038	124,733
Gross profit	$ 181,049	$ 38,207	$ 219,256	$ 125,650	$ 9,344	$ 134,994
Gross profit %	47%	45%	47%	52%	54%	52%

Note 1: Revenue and gross profit have been updated for an immaterial reclassification relating to the treatment of certain marketing gift cards.

RYU continues to show an almost equal ratio of apparel sales between men and women at 46% and 54% respectively. By identifying an underserved gap in the industry for men, and developing the Beautiful Tough brand positioning that's resonating with women, RYU has achieved an enviable gender balance that is unprecedented in the industry.

Business highlights

Retail store expansion plan

Our retail store expansion plan is to have five stores open by the end of 2017. We currently have three stores in operation and two under construction. Our Park Royal South location opened in the last week of March 2017, and early in the third quarter of 2017 we will see the opening of our first Toronto store on Queen Street West, and our first enclosed mall location at Metrotown in Vancouver.

Retail store expansion plan	Square Footage	Opening Date
Existing Stores		
Vancouver – West 4th Avenue (Flagship)	3,920	November 2015
Vancouver – Thurlow Street	1,100	November 2016
Vancouver – Park Royal South	3,967	March 2017
New Stores Under Construction		
Vancouver – Metrotown	2,002	Q3 2017
Toronto – Queen Street West	2,220	Q3 2017

Our three existing retail stores are designed by award-winning architect Tony Robins with the same industrial, yet modern aesthetic look as RYU's award winning flagship store in Kitsilano (2016 - "Best New Store" by London-based trend forecasting website WGSN).

E-commerce

In the first quarter of 2017 we hired a Digital Strategy Director, a key position responsible for leading the e-commerce department and increasing our online revenue as a percentage of retail revenue from 16% during the three months ended March 31, 2017 to 30% by the end of 2017. The addition of this position to our team has started to show positive results.

During the first quarter in 2017 RYU continued to expand its reach and performance in the e-commerce space. Overall traffic to ryu.com increased by over 38% (vs fourth quarter 2016), this was led by a 36% increase in organic traffic and a 184% increase in traffic from Facebook. An increase on returning visitors to ryu.com was also achieved during the quarter, with an increase of 27% vs fourth quarter 2016.

The Athlete Member Program[1], which was launched in fourth quarter 2016, is seeing strong usage as a customer acquisition strategy. 39% of e-commerce orders included customers joining the Athlete Member Program to receive $25 off their first purchase. The adoption of the Athlete Member Program also contributed to 155% increase in traffic from customers in the program.

In the first quarter of 2017, RYU launched a one-year pilot Affiliate Program for members of our Trainer Program[2]. Through the Affiliate Program, members of the Trainer Program earn a 10% commission for individual transactions generated through the members tracking link.

Email list segmentation was launched in the first quarter of 2017. This ensures consumers receive relevant content and this has decreased the opt-out rate by 3% and increased revenue by 22% through the email channel.

Kickstarter campaign

During the first quarter of 2017 we successfully completed our first Kickstarter campaign in the United States, doubling anticipated sales and raising 208% of our initial pre-sale goal and securing over $52,000 US dollars for our new men's Ethos pullover and women's Ethos full zip hoodie. We launched the new Ethos hoodie on Kickstarter to raise awareness around our newest products and innovative fabrics and designs to a broader audience across Canada and the US. Most of the orders were fulfilled by quarter end and unfilled orders were recognized in deferred revenue. Kickstarter sales were excluded from e-commerce revenue. Ethos hoodies were made available in-store and online for purchase in March 2017.

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[1] The Athlete Member Program enrolls members into the RYU community by adding them to our newsletter, by providing them with an initial $25 gift card to be used on their first purchase of $50 or more, and they are also entitled to our "up-down" program (If their size changes within one year of purchasing an item, either by adding muscle or losing fat, they simply return it and we will sell them the same item in their new size at 50% off), and the "gear replacement" program (50% off a replacement item if damaged within one year of purchase).

[2] The Trainer Program is designed to build a community of athletic leaders that train, teach, coach and live the values of RYU. The Trainer Program is for qualified trainers, coaches, or group fitness instructors who are certified and can prove that they are actively working in the industry. Once enrolled, they receive an ongoing 25% discount off retail price on any products purchased for their own personal use. They also receive the benefits of the Athlete Member Program.

Inventory strategy

During the fourth quarter of 2016 we reassessed our inventory needs for 2017 and 2018 in conjunction with our 2017 store expansion plan. After keeping inventory purchases to a minimum in 2016, we started to experience shortages in styles and sizes and we sold out of bags due to popular demand. In the first quarter of 2017 we started placing inventory deposits to fill the gaps, but deliveries are not expected until the second and third quarters of 2017. We intend to have our supply chain functioning smoothly by the third quarter of 2017 so that we are properly setup for 2018.

During the three months ended March 31, 2017 our sales channels did not see a lot of new product. We continued to experience shortages in styles and sizes and as a result, our closing inventory as at March 31, 2017 decreased 6% to $1,001,667 from $1,067,560 at December 31, 2016, while our inventory deposits increased 391% to $564,844 from $115,017.

Community activation

Community activations and support continued to be at the forefront of RYU in the first quarter of 2017. Each week RYU hosted 10-15 free community workouts out of our West 4th location offering everything from boxing, yoga, HIIT classes and boot camps. On top of the weekly workouts RYU hosted a number of larger community events including two BMO Discovery Runs in partnership with RUNVAN, a 10 week Mindfulness Series with world renowned teacher Alan Clements, 3 Hip-Hop dance battle fundraisers, an Entrepreneurs in Health and Fitness seminar, a monthly RYU Breakfast Club, and a Strongcamp Women's workshop.

In addition to in-store activations, RYU also supported numerous offsite community events including the Step Up For Dad prostate cancer fundraiser both in Vancouver and Toronto, UBC Storm the Wall, pop up shops at 3 facilities in Langley and Whiterock BC, the SFU Dance Marathon, the Vancouver Sun Run and the first RYU Connector Event.

Upcoming community activations include the BMO Marathon Expo, the False Creeks Women's Regatta Race, a 10 day Toronto fitness facility tour, and a comprehensive in-store event for Move for Health day.

Outlook for 2017

The principal business objectives that we expect to accomplish in 2017 is to deliver our products to a much broader demographic, continue to upgrade our e-commerce platform, and enhance retail sales by opening two additional stores under the RYU brand.

The two new planned stores are located at:

- Queen Street West in Toronto, Ontario, Canada with a targeted opening in the third quarter of 2017; and
- Metrotown, Burnaby, British Columbia, Canada with a targeted opening in the third quarter of 2017.

In 2017 we also intend to enter into two lease agreements for our 2017-2018 retail store expansion plan, including our first US retail store location in New York City and a second location in Toronto.

At RYU we will require additional capital in 2017 to fulfill our objectives and the net proceeds from those financings will be used to invest on leasehold improvements for the two new retail stores, to design and procure the inventory needed to supply our sales channels, and to support our operating activities as we continue to build the scale of the business to a profitable level.

Equity

During the three months ended March 31, 2017 we completed the following capital raising activities to fund our growth plans:

- On February 2, 2017, the Company closed a short form prospectus offering, raising gross proceeds of $3,734,441 for the Company. Canaccord Genuity Corp. (the "Agent") acted as an agent for the Company with respect to the sale of 24,896,271 common shares of the Company (the "Shares") at a price of $0.15 per Share (the "Offering"). The Shares were sold pursuant to an agency agreement dated January 24, 2017 between the Company and the Agent (the "Agency Agreement").

In consideration of the services performed by the Agent under the Agency Agreement, the Company: (i) paid the Agent a commission of $261,411 in cash; and (ii) issued to the Agent and members of its selling group an aggregate of 1,742,739 warrants entitling the Agent and members of its selling group to acquire up to an aggregate of 1,742,739 common shares of the Company at a price of $0.20 per common share until February 2, 2019. In addition, the Company paid the Agent a corporate finance fee of $125,000, consisting of $62,500 in cash and $62,500 in common shares of the Company (the "Corporate Finance Shares"), issued at a deemed price equal to $0.15 per Share, being equal to 416,666 Corporate Finance Shares. The Company has also reimbursed the Agent for expenses incurred by the Agent in connection with the Offering in the amount of $81,500.

OVERALL PERFORMANCE

Overall, RYU continues to be in a stage of investment as we went live with the new RYU on November 27, 2015. In 2016 we started to build the scale of the business to a profitable level by operating our Flagship store on West 4th Avenue in Vancouver and by opening our second retail store location on 805 Thurlow Street in Vancouver. Now into our second year of operations, we have opened our third location in Park Royal and we have two stores under construction. We also intend to enter into one new retail store lease in New York City and one in Toronto. The results of the new RYU have been encouraging with continued sales growth for the three months ended March 31, 2017 and by generating a 47% gross profit despite the fact that we had not yet received new inventory for deposits placed in the quarter and that our e-commerce sales in the USA and Canada were mostly organic.

Until we reach the break-even level our operations will continue to generate a loss and as a result net cash flows used in operating activities for the three months ended March 31, 2017 and 2016 were $2,345,609 and $1,244,256 respectively. The Company also generated a comprehensive loss for the three months ended March 31, 2017 and 2016 of $2,099,443 and $740,096 respectively.

Cash flows from investing activities during the three months ended March 31, 2017 and 2016 were $267,239 and $27,230 respectively. In the first quarter of 2017 we built our third retail store and started to build our fourth and fifth locations while in the first quarter of 2016 we did not spend in leasehold improvements due to capital constraints.

As at March 31, 2017 and December 31, 2016 we had working capital of $2,251,915 and $1,186,224 respectively and cash of $1,361,528 and $767,263 respectively. During the three months ended March 31, 2017 we funded operations by raising capital through a short form prospectus offering for gross proceeds of $3,734,441 while in the three months ended March 31, 2016 we funded operations with the continued support of our related parties with short-term and long-term loans and by raising capital via private placements. Our team is diligently working to raise the capital needed to build the business. As a result, for the three months ended March 31, 2017 and 2016, net cash flows provided from financing activities were $3,207,113 and $1,245,905 respectively.

DISCUSSION OF OPERATIONS

The following table provides selected unaudited financial information for the three months ended March 31, 2017 and 2016, in accordance with IFRS:

(in Canadian dollars, unless noted otherwise)

	Three months ended March 31, 2017	Three months ended March 31, 2016 (Note 1)
Presentation currency	(C$)	(C$)
Functional currency	(C$)	(C$)
Revenue	$ 467,003	$ 259,727
Gross profit (loss)	219,256	134,994
Other comprehensive income (loss)	(2,099,443)	(740,096)
Other comprehensive income (loss) per share – basic and diluted	(0.01)	(0.01)
Total assets	4,960,777	2,622,707
Total long-term financial liabilities	58,990	1,395,822

Cash dividend	-	-

Note 1: Revenue and gross profit have been updated for an immaterial reclassification relating to the treatment of certain marketing gift cards.

For the three months ended March 31, 2017

Revenue

Revenue during the three months ended March 31, 2017 and 2016 was $467,003 and $259,727, respectively. Revenue increased by 80% in 2017 from 2016. First quarter revenue in 2016 comprised primarily of sales from the Flagship retail store that opened November 2015 and e-commerce sales that started December 2015 whereas first quarter revenue in 2017 included additional sales from the Thurlow retail stores, revenue from our Kickstarter campaign, and a full quarter of e-commerce sales from our improved website that had a higher visitor traffic than in early 2016. Our Park Royal location was only open for three days within the quarter.

Cost of sales

Cost of sales during the three months ended March 31, 2017 and 2016 was $247,747 and $124,733, respectively. The increase of 99% is aligned with the increase in revenue.

Gross profit

Gross profit during the three months ended March 31, 2017 and 2016 was $219,256 and $134,994 respectively, an increase of 62%. Gross profit of 47% in the first quarter of 2017 was lower than gross profit of 52% in 2016 due to the difference in the weighted average cost of finished goods inventory and the amount of sales discounts applied in each period.

Expenses

Expenses for the three months ended March 31, 2017 and 2016 were $2,326,402 and $1,930,690 respectively. The increase of 20% is primarily due to the following factors:

- Foreign exchange expense increased by 118% to a loss of $25,975 from a gain of $147,448 due to the fluctuation of the Canadian dollar against the US dollar.

- Share based payments increased 225% to $203,082 from $62,484 because in the first quarter of 2017 we granted stock options for the purchase of up to an aggregate 3,400,000 common shares of the Company, at a price of $0.15 per common share. We granted 300,000 stock options in the first quarter of 2016 at $0.20 per common share.

After excluding these two items from the analysis, expenses increased $81,691 (4%) during the comparative periods, in line with the increase in our retail operations from one to three stores.

- By the end of the first quarter in 2016 we had not converted many of our contractors to employees and we were starting to classify the cost of our contractors to their corresponding departments. As a result, professional fees decreased by 95% to $22,400 from $453,918, product creation increased 1,166% to $202,481 from $15,999, and salaries and benefits increased 29% to $754,469 from $585,633. From the first quarter of 2016 to 2017 we recognized a net decrease of $76,200 in this group of expenditures.

- Selling and marketing expenses increased by 38% to $485,044 from $351,136 as we continue to develop our marketing strategy. We invest in print media, public relations, social media, community events, product promotion, and digital marketing.

- Office and general expenses increased by 75% to $457,168 from $261,649 as our retail operating costs, particularly rent, and warehousing costs increased with the scale of our operations.

- Investor relations decreased by 76% to $53,448 from $219,209 as we did not partake in material investor relation activities during the quarter.

Other comprehensive loss

During the first quarter of 2017 we recognized a comprehensive loss of $2,099,443 whereas in the first quarter of 2016 we recognized comprehensive loss of $740,096. The loss was 184% higher than in 2016 due to the 2016 recovery of the warrant derivative of $1,006,263 related to warrants denominated in US currency which are now reported in Canadian dollars and the $49,337 gain on settlement of debt in 2016. Without these outliers, comprehensive loss in the first quarter of 2017 and 2016 would have been $2,107,146 and $1,795,696 respectively, a 17% increase over the periods. This increase quantified as $311,450 is mostly due to share based payments and foreign exchange.

Total assets

Assets as at March 31, 2017 and December 31, 2016 were $4,960,777 and $3,799,602 respectively. Assets in 2017 increased primarily due to changes in current assets and investing in leasehold improvements at our new store locations. We had $594,265 additional cash as we still had funds from the February 2, 2017 short form prospectus, $12,606 lower accounts receivable as we continue to improve our collection of GST input tax credits, and $407,980 higher prepaid expenses and deposits from placing new deposits on inventory purchases. We also invested $315,879 in leasehold improvements and computers in the three months ended March 31, 2017.

Long term liabilities

Long term liabilities as at March 31, 2017and December 31, 2016 were $58,990 and $70,999 respectively. Our long-term liabilities consist solely of our finance lease for ryu.com. We no longer recognize a warrant derivative liability as the amount is immaterial.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited financial information for the Company for its eight most recent quarters, in accordance with IFRS:

	March 31, 2017	**December 31, 2016**	**September 30, 2016 (Note 1)**	**June 30,2016 (Note 1)**
Presentation currency	(C$)	(C$)	(C$)	(C$)
Functional currency	(C$)	(C$)	(C$)	(C$)
Revenue	467,003	474,844	331,699	300,773
Gross profit (loss)	219,256	214,336	139,351	139,185
Operating expenses (recovery)	2,318,699	1,995,533	1,559,526	1,819,379
Comprehensive Income (loss)	(2,099,443)	(1,781,197)	(1,420,175)	(1,680,194)
Comprehensive loss per share (Basic and Diluted)	(0.01)	(0.01)	(0.01)	(0.02)
	March 31,2016 (Note 1)	**December 31,2015**	**September 30, 2015**	**June 30, 2015**
Presentation currency	(C$)	(C$)	(C$)	(C$)
Functional currency	(C$)	(C$)	(C$)	(C$)
Revenue	259,727	254,664	144,592	184,026
Gross profit (loss)	134,994	(428,933)	84,470	156,896

Operating expenses (recovery)	875,090	(2,196,410)	3,950,073	2,167,113
Comprehensive Income (loss)	(740,096)	1,767,477	(3,865,603)	(2,010,216)
Comprehensive Income (loss) per share (Basic and Diluted)	(0.01)	0.03	(0.05)	(0.03)

Note 1: Revenue, gross profit and operating expenses have been updated for an immaterial reclassification relating to the treatment of certain marketing gift cards.

The business of the Company is seasonal and results of operations for any interim period may not necessarily be indicative of results of operations for the full fiscal year.

The scale of our retail operations does not yet match our level of spending and as a result we reported comprehensive losses in each of the quarters in 2016 and the first quarter of 2017. We continue to work on building the scale of our business and we intend to open an additional two retail stores in 2017.

The first quarter in 2017 primarily incorporated omni-channel sales from our two retail store locations in Vancouver and our e-commerce sites, as our third retail store location opened on March 28, 2017 at Park Royal South, in West Vancouver, BC. The first quarter in a calendar year tends to be slower than the previous fourth quarter, skewed by the Holiday Season, and yet our first quarter 2017 revenue and gross profit margin levels are comparable to the fourth quarter 2016. This indicates that sales have continued to grow in line with awareness for the brand.

The year ended December 31, 2016 marked the first full year of operations for the new RYU as the new RYU product line was launched on November 27, 2015 when we opened our Flagship Store in Vancouver, BC. Our second retail store location opened on November 25, 2016 at 805 Thurlow Street, in Vancouver, BC. This resulted in a consistent increasing trend in sales.

During the fourth quarter of 2014 we decided to liquidate the existing inventory line to finance the development and production of the new product set to launch in fall 2015. This inventory was mostly sold during the first three quarters of 2015 and as a result revenue decreased over this period while comprehensive loss generally increased as the Company restructured operations and focused on rebranding and launching the new RYU.

To understand quarterly gross profit (loss) in 2015 we note that we significantly wrote down the inventory on-hand at December 31, 2014 as its fair market value was deemed to be less than its net realizable value. This had a positive impact on gross profit from the first to the third quarter of 2015. The Company entered a similar adjustment in in the fourth quarter or 2015 for old RYU items received in 2015.

In the fourth quarter of 2015 we recorded a $2,679,309 recovery of the warrant derivative liability in connection with our US dollar denominated warrants, thus reporting a recovery in our operating expenses and comprehensive income for the quarter.

LIQUIDITY AND CAPITAL RESOURCES

To build RYU into an iconic global brand, we need to continue to raise capital. As a young growth company we are cognizant that as at March 31, 2017 we were not capable of sustaining our working capital requirements. In order to reach sustainable business operations, we will continue our plan of opening additional retail stores and building authentic brand awareness in our communities, which in turn is anticipated to result in higher demand for our products and a positive return to our shareholders.

Our cash balance as of March 31, 2017 was $1,361,528 compared to $767,263 as of December 31, 2016. As of March 31, 2017, we had current assets of $3,104,778 current liabilities of $852,863 and working capital of $2,251,915 compared to a working capital of $1,186,224 as of December 31, 2016.

Our operating activities in the three months ended March 31, 2017 were funded by:

- Retail sales of our Flagship, Thurlow and Park Royal retail stores and e-commerce totaling $467,003; and

- A short form prospectus offering that closed on February 2, 2017, raising gross proceeds of $3,734,441.

We manage the capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As a young growth company, issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in the future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt.

While our management plans to generate increased revenues and to continue financing our Company through the issuances of additional equity securities or debt instruments, there can be no assurance that sufficient revenue or financing will occur to meet our cash needs for the next 12 months. The ability to achieve our projected future operating results is based on a number of assumptions which involve significant judgments and estimates, which cannot be assured. If we are unable to achieve our projected operating results, our liquidity could be adversely impacted and we may need to seek additional sources of financing. Our operating results could adversely affect our ability to raise additional capital to fund our operations and there is no assurance that debt or equity financing will be available in sufficient amount, on acceptable terms, or in a timely basis.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Finance lease

On February 1, 2012, the Company entered into a ten year finance lease agreement for the domain name *ryu.com*. At the end of the lease term, title to the domain name will automatically transfer to the Company.

The following is the summary of the Company's outstanding liability (excluding interest):

		March 31, 2017		December 31, 2016
Current portion	$	14,706	$	14,779
Non-current portion		58,990		63,296
	$	73,696	$	78,075

Operating leases

The Company has obligations under operating leases for its corporate office facility and for its retail store. The leases expire at various dates through 2022.

Year		Operating leases
2017	$	1,106,829
2018		1,459,921
2019		1,497,836
2020		1,216,608
2021		1,029,604
Thereafter		217,959
Total	$	6,528,757

The total commitments are expected to be funded by cash flows from operations.

CLAIMS AND LAWSUITS

Neither the Company nor any of its property was a party to, or the subject of, any material legal proceeding since January 1, 2017, nor is the Company currently party to any material legal proceeding to its business. From time to time, however, the Company may be subject to various claims and legal actions arising in the course of its business

CONTINGENT LIABILITY

None.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair value of our cash, accounts receivable, deposits, and accounts payable as at March 31, 2017 and December 31, 2016 approximate their carrying value due to the immediate or short-term maturity of these financial instruments.

Financial liabilities measured at fair value at March 31, 2017 and December 31, 2016 consisted of the derivative financial liability, which is measured using level 3 inputs, which are inputs that are not based on observable market data. The fair value of the derivative liability was determined by the Black-Scholes option pricing model using the historical volatility as an estimate of future volatility.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “special purpose entities”.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the three months ended March 31, 2017 and 2016 was as follows:

	March 31, 2017	March 31, 2016
Consulting fees (included in professional fees)	$ -	$ 12,000
Salaries and benefits	108,365	74,200
Share based payments	137,372	15,687
	$ 245,737	$ 101,887

Remuneration paid to related parties other than key personnel during the three months ended March 31, 2017 and 2016 was as follows:

	March 31, 2017	March 31, 2016
Consulting fees (included in professional fees)	$ 13,500	$ 32,500
Salaries and benefits	14,228	6,441
Share based payments	-	9,535
	$ 27,728	$ 48,476

Accounts payable and accrued liabilities:

As at March 31, 2017, $13,319 (December 31, 2016 - $33,311), is included in accounts payable for amounts owing for products and services provided by Naturo Group Investments Inc. (“Naturo”), a company owned by the CEO.

Transactions in the normal course of business:

During the three months ended March 31, 2017, the Company had sales to Naturo of $3,722 (2016 - $13,671) and purchased goods and services from the same totaling $39,449 (2016 – $15,755).

On November 1, 2014, the Company entered into a sublease agreement with Naturo for its corporate office at 1672 W 2nd Avenue in Vancouver, BC. Under the agreement, the Company is required to make lease payments for a term of 5 years. During the three months ended March 31, 2017, the Company recorded rent expense of $33,850 (2016 – $34,472) to the related party.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's common shares trade on the TSX Venture Exchange under the symbol "RYU" and in the Frankfurt Stock Exchange under the symbol "RYA". The following table summarizes the outstanding common shares, options, warrants and corresponding market capitalization stated in Canadian dollars.

As at:

	April 28, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Share price – closing (C$)	$0.11	$0.14	$0.14	$0.12	$0.16
Market capitalization (C$)	$20,450,247	$26,027,586	22,477,615	13,518,931	16,823,416
Outstanding					
Shares	185,911,332	185,911,332	160,554,395	112,657,758	105,146,350
Options	12,976,250	13,076,250	10,391,250	10,560,000	10,665,000
Warrants	100,875,630	100,925,630	105,829,994	59,952,329	52,440,921

PROPOSED TRANSACTIONS

The Company continues to engage in discussions with several financing groups and intends to provide a market update when the Company's management and board make a decision to proceed with any such financing.

SUBSEQUENT EVENTS

- None.

NEW ACCOUNTING STANDARDS NOT YET ADOPTED

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

New standard IFRS 15 "Revenue from Contracts with Customers"

This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2017 with early adoption permitted.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

New standard IFRS 16 "Leases"

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

RISK FACTORS

If the Company does not obtain additional financing its business may fail. The Company has a history of operating losses and negative cash flow that will continue into the foreseeable future.

The Company will require additional financing to sustain its business operations. The Company currently does not have any arrangements for such financing and it may not be able to obtain financing when required. A decline in the price of the Common Shares may impact the Company's ability to obtain future financing. Obtaining additional financing would be subject to a number of factors, including the Company's ability to initially attract investments prior to substantial revenue generation, and thereafter its ability to grow its brand. The Company can provide investors with no assurance that it will ever achieve profitable operations, and thus it faces a high risk of business failure. The Company's ability to achieve and maintain profitability and positive cash flow is dependent upon:

- the Company's ability to market and sell its products to the levels anticipated;
- the Company's ability to generate profits from the sale of those products; and
- the Company's ability to create a successful brand.

The Company has a history of operating losses and negative cash flow that will continue into the foreseeable future. If the Company fails to execute its strategy to achieve and maintain profitability in the future, investors could lose confidence in the value of the Common Shares, which could cause the Company's stock price to further decline and adversely affect its ability to raise additional capital. If the Company fails to obtain additional short-term financing, it would not have adequate liquidity to fund its operations, and would not be able to continue as a going concern.

Because of the unique difficulties and uncertainties inherent in the apparel business, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by apparel companies and the high rate of failure of such enterprises. The Company's likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the design, manufacture and sale of the products that it plans to offer, as well as the highly competitive landscape of the apparel industry. These potential problems include, but are not limited to, unanticipated problems relating to manufacturing and sales, lack of branding and marketing traction with consumers, and additional costs and expenses that may exceed current estimates.

The Company's success depends on its ability to maintain the value and reputation of its brand.

The Company's success depends on the value and reputation of its brand. The Company's brand is integral to its business as well as to the implementation of its strategies for expanding its business. The Company has repositioned and will continue to reposition its brand from primarily targeting a mixed martial arts consumer to a broader performance and lifestyle consumer. The market's acceptance of the Company's repositioned brand is a key factor to its success. Maintaining, promoting and positioning its brand will depend largely on the success of its marketing and merchandising efforts and its ability to provide a consistent, high quality guest experience. The Company relies on social media, as one of its marketing strategies, to have a positive impact on both its brand value and reputation. The Company's brand could be adversely affected if it fails to achieve these objectives or if the Company's public image or reputation were to be tarnished by negative publicity. Negative publicity regarding the production methods of any of the Company's suppliers or manufacturers could adversely affect its reputation and sales and force the Company to locate alternative suppliers or manufacturing sources.

An economic downturn or economic uncertainty in the Company's key markets may adversely affect consumer discretionary spending and demand for its products.

Many of the Company's products may be considered discretionary items for consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, particularly those in North America and other factors such as consumer confidence in future economic conditions, fears of recession, the availability of consumer credit, level of unemployment, tax rates and the cost of consumer credit. As global economic conditions continue to be volatile or economic uncertainty remains, trends in consumer discretionary spending also remains unpredictable and subject to reductions due to credit constraints and uncertainties about the future. The current volatility in the North America economy in particular has resulted in an overall slowing in growth in the retail sector because of decreased consumer spending, which may remain depressed for the foreseeable future. These unfavorable economic conditions may lead consumers to delay or reduce purchases of its products. Consumer demand for the Company's products may not reach its sales targets, or may decline, when there is an economic downturn or economic uncertainty in its key markets, particularly in North America. The Company's sensitivity to economic cycles and any related fluctuation in consumer demand may have a material adverse effect on its financial condition.

The Company's sales and profitability may decline as a result of increasing product costs and decreasing selling prices.

The Company's business is subject to significant pressure on pricing and costs caused by many factors, including intense competition, constrained sourcing capacity and related inflationary pressure, pressure from consumers to reduce the prices it charges for its products and changes in consumer demand. These factors may cause the Company to experience increased costs, reduce its sales prices to consumers or experience reduced sales in response to increased prices, any of which could cause its operating margin to decline if the Company is unable to offset these factors with reductions in operating costs and could have a material adverse effect on its financial conditions, operating results and cash flows.

If the Company is unable to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products, the Company may not be able to achieve profitability.

The Company's success depends on its ability to identify and originate product trends as well as to anticipate and react to changing consumer demands in a timely manner. All of the Company's products are subject to changing consumer preferences that cannot be predicted with certainty. If the Company is unable to introduce new products or novel technologies in a timely manner or its new products or technologies are not accepted by its customers, the Company's competitors may introduce similar products in a more timely fashion, which could hurt its goal to be viewed as a leader in apparel innovation. The Company's new products may not receive consumer acceptance as consumer preferences could shift rapidly to different types of apparel or away from these types of products altogether, and its future success depends in part on its ability to anticipate and respond to these changes. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower sales, excess inventory levels, and further deterioration of operating results. Even if the Company is successful in anticipating consumer preferences, its ability to adequately react to and address those preferences will in part depend upon the Company's continued ability to develop and introduce innovative, high-quality products. The Company's failure to effectively introduce new products that are accepted by consumers could result in a decrease in net revenue and excess inventory levels, which could have a material adverse effect on its financial condition.

The Company's results of operations could be materially harmed if it is unable to accurately forecast customer demand for its products.

To ensure adequate inventory supply, the Company must forecast inventory needs and place orders with its manufacturers based on its estimates of future demand for particular products. The Company's ability to accurately forecast demand for its products could be affected by many factors, including its ability to raise sufficient equity or debt capital in a timely manner, an increase or decrease in customer demand for the Company's products or for products of its competitors, its failure to accurately forecast customer acceptance of new products, product introductions by competitors, unanticipated changes in general market conditions, and weakening of economic conditions or consumer confidence in future economic conditions. If the Company fails to accurately forecast customer demand, it may experience excess inventory levels or a shortage of products available for sale in its stores or for delivery to customers.

Inventory levels in excess of customer demand or purchased in excess quantities, may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would cause the Company's gross margin to suffer and could impair the strength and exclusivity of its brand. Conversely, if the Company underestimates customer demand for its products, its manufacturers may not be able to deliver products to meet its requirements, and this could result in damage to its reputation and customer relationships.

The fluctuating cost of raw materials could increase the Company's cost of goods sold and cause its results of operations and financial condition to suffer.

The Company's costs for raw materials are affected by, among other things, weather, consumer demand, speculation on the commodities market, the relative valuations and fluctuations of the currencies of producer versus consumer countries, and other factors that are generally unpredictable and beyond its control. Increases in the cost of raw materials or the prices the Company pays for its cotton yarn and cotton-based textiles, could have a material adverse effect on its cost of goods sold, results of operations, financial condition and cash flows.

The Company relies on third-party suppliers to provide fabrics for and to produce its products, and it has limited control over them and may not be able to obtain quality products on a timely basis or in sufficient quantity.

The Company does not manufacture its products or the raw materials for them and relies instead on third-party suppliers. Due to its financial condition, the Company has in the past delayed payments to its manufactures or agreed to revise contractual terms, which has had a negative impact on its relationships with them. If the Company fails to make or delay payments to its manufactures, those manufactures may refuse to work for the Company and it may have difficulties finding other manufactures that are willing to make its products on terms acceptable to the Company, or which are competitive in the marketplace.

Many of the specialty fabrics used in the Company's products are technically advanced textile products developed and manufactured by third parties and may be available, in the short-term, from only one or a very limited number of sources. The Company has no long-term contracts with its suppliers or manufacturing sources, and it competes with other companies for fabrics, raw materials, production and import quota capacity.

The Company has occasionally received, and may in the future continue to receive, shipments of products that fail to comply with its technical specifications or that fail to conform to its quality control standards. The Company has also received, and may in the future continue to receive, products that meet its technical specifications but that are nonetheless unacceptable to the Company. Under these circumstances, unless the Company is able to obtain replacement products in a timely manner, it risks the loss of net revenue resulting from the inability to sell those products and related increased administrative and shipping costs. Additionally, if defects in the manufacture of the Company's products are not discovered until after such products are purchased by its customers, the Company's customers could lose confidence in the technical attributes of its products and its results of operations could suffer and its business could be harmed.

The Company may in the future experience a significant disruption in the supply of fabrics or raw materials from current sources and it may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. In addition, if the Company experiences significant increased demand, or if the Company needs to replace an existing supplier or manufacturer, it may be unable to locate additional supplies of fabrics or raw materials or additional manufacturing capacity on terms that are acceptable to the Company, or at all, or the Company may be unable to locate any supplier or manufacturer with sufficient capacity to meet its requirements or to fill its orders in a timely manner. Identifying a suitable supplier is an involved process that requires the Company to become satisfied with its quality control, responsiveness and service, financial stability and labor and other ethical practices. Even if the Company is able to expand existing or find new manufacturing or fabric sources, it may encounter delays in production and added costs as a result of the time it takes to train its suppliers and manufacturers in its methods, products and quality control standards. Delays related to supplier changes could also arise due to an increase in shipping times if new suppliers are located farther away from the Company's markets or from other participants in its supply chain. Any delays, interruption or increased costs in the supply of fabric or manufacture of the Company's products could have an adverse effect on its ability to meet customer demand for its products and could result in lower net revenue and income from operations both in the short and long term.

The Company's reliance on third party providers for all warehouse and fulfillment functions reduces its ability to control the warehousing and fulfillment processes, which could harm its sales, reputation, and overall business.

The Company has entered into an agreement to outsource most of its warehouse and fulfillment functions to third party providers where its inventory is held at sites managed by an independent contractor who will then perform most of its warehousing, packaging and fulfillment services. The Company depends on independent contractor fulfillers to properly fulfill customer orders in a timely manner and to properly protect its inventories. The contractor's failure to ship products to customers in a timely manner, to meet the required quality standards, to correctly fulfill orders, to maintain appropriate levels of inventory, or to provide adequate security measures and protections against excess shrinkage could cause the Company to miss delivery date requirements of its customers or incur increased expense to replace or replenish lost or damaged inventory or inventory shortfall. The failure to make timely and proper deliveries may cause the Company's customers to cancel orders, refuse to accept deliveries, impose non-compliance charges through invoice deductions or other charge-backs, demand reduced prices or reduce future orders, any of which could harm its sales, reputation and overall profitability. The Company's excess inventory held at these facilities may be damaged due to the length of time that they are at the facility, which may not be covered by the contractor or its insurance.

The Company operates in a highly competitive market and the size and resources of some of its competitors may allow them to compete more effectively than the Company can, resulting in a decrease in its net revenue.

The market for apparel is highly competitive. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow the Company's market share, any of which could substantially harm its business and results of operations. The Company competes directly against wholesalers and direct retailers of athletic apparel, including large, diversified apparel companies with substantial market share and established companies expanding their production and marketing of technical athletic apparel, as well as against retailers specifically focused on athletic, active, lifestyle, and other categories of apparel. The Company also faces competition from wholesalers and direct retailers of traditional commodity athletic apparel, such as cotton T-shirts and sweatshirts. Many of the Company's competitors are large apparel and sporting goods companies with strong worldwide brand recognition, such as Nike, Inc., Lululemon Athletica Inc., Adidas AG, which includes the Adidas and Reebok brands, and The Gap, Inc., which includes the Athleta brand. Because of the fragmented nature of the industry, the Company also competes with other apparel sellers. Many of the Company's competitors have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, store development, marketing, distribution and other resources than the Company does. In addition, the Company's athletic and other categories of apparel are sold at a price premium to comparable apparel.

The Company's competitors may be able to achieve and maintain brand awareness and market share more quickly and effectively than the Company can. Many of the Company's competitors promote their brands through traditional forms of advertising, such as print media and television commercials, and through celebrity endorsements, and have substantial resources to devote to such efforts. The Company's competitors may also create and maintain brand awareness using traditional forms of advertising more quickly than it can. The Company's competitors may also be able to increase sales in their new and existing markets faster than it does by emphasizing different distribution channels than it does, such as catalog sales or an extensive franchise network, as opposed to distribution through retail stores, wholesale or internet, and many of the Company's competitors have substantial resources to devote toward increasing sales in such ways.

The Company has four utility patent applications pending in Canada and the United States that are directed to the construction and operation of bag products and exercise tights products. The Company has seven design registrations/design patents granted in Canada, the United States and China directed to the visual aesthetics of bag products, exercise tights products, and exercise shorts products. The Company has seven design applications pending in Canada, the United States and China directed to the visual aesthetics of bag products and exercise tights products. However, the Company owns no patents or exclusive intellectual property rights in the technology, fabrics or processes underlying its products, such as utility patents. Accordingly, the Company's current and future competitors are able to manufacture and sell products with performance characteristics, fabrication techniques and styling similar to its products.

The Company's failure or inability to protect its intellectual property rights could diminish the value of its brand and weaken its competitive position.

The Company currently relies on a combination of copyright, trademark, trade dress and unfair competition laws, as well as confidentiality procedures and licensing arrangements, to establish and protect its intellectual property rights. The Company cannot assure you that the steps taken by it to protect its intellectual property rights will be adequate to prevent infringement of such rights by others, including imitation of its products and misappropriation of its brand. In addition, intellectual property protection may be unavailable or limited in some foreign countries where laws or law enforcement practices may not protect the Company's intellectual property rights as fully as in the United States or Canada, and it may be more difficult for the Company to successfully register its intellectual property rights or challenge the use of those rights by other parties in these countries. If the Company fails to protect and maintain its intellectual property rights, the value of its brand could be diminished and the Company's competitive position may suffer.

The Company may not be able to successfully open profitable new store locations in a timely manner, if at all, which could harm its results of operations.

The Company's growth will depend on its ability to successfully open and operate new stores. Sales at these stores are derived, in part, from the volume of foot traffic in these locations. The Company's ability to successfully open and operate new stores depends on many factors, including, among others, its ability to:

- identify suitable store locations, the availability of which is outside of the Company's control;
- negotiate acceptable lease terms, including desired tenant improvement allowances;
- hire, train and retain store personnel and field management;
- immerse new store personnel and field management into the Company's corporate culture;
- source sufficient inventory levels; and
- successfully integrate new stores into our existing operations and information technology systems.

Successful new store openings may also be affected by the Company's ability to initiate its marketing efforts in advance of opening additional stores in new markets. The Company typically relies on its marketing efforts to build awareness of its brand and demand for its products. There can be no assurance that the Company will be able to successfully implement its marketing efforts in a particular market in a timely manner, if at all. Additionally, the Company may be unsuccessful in identifying new markets where its apparel and other products and brand image will be accepted or the performance of its stores will be considered successful.

The Company's ability to source its merchandise profitably or at all could be hurt if new trade restrictions are imposed or existing trade restrictions become more burdensome.

Canada and the countries in which the Company's products are produced or sold internationally have imposed and may impose additional quotas, duties, tariffs, or other restrictions or regulations, or may adversely adjust prevailing quota, duty or tariff levels. Countries impose, modify and remove tariffs and other trade restrictions in response to a diverse array of factors, including global and national economic and political conditions, which make it impossible for the Company to predict future developments regarding tariffs and other trade restrictions. Trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to the Company or may require the Company to modify its supply chain organization or other current business practices, any of which could harm its business, financial condition and results of operations.

The Company's employees are critical to its success, and the loss of key personnel could harm its business.

The Company's performance is substantially dependent on the continued services and performance of its executive officers and other key personnel. The Company has employment agreements in place for its Chief Executive Officer, Chief Financial Officer, its Senior Vice President of Retail and Operations, and its Vice President of Sales and Marketing. The Company has consulting agreements with its Vice President Innovation and Brand. No key man life insurance has been purchased on any of the Company's executive officers. The Company's performance also depends on its ability to retain and motivate its officers. The loss of the services of any of the Company's officers could have a material adverse effect on its business, prospects, financial condition and results of operations.

Competition for key personnel is intense, and the Company cannot assure you that it will be successful in attracting and retaining such personnel. The failure to attract and retain the necessary technical, managerial and marketing personnel could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. The Company's future success also depends on its ability to identify, attract, hire, train, retain and motivate other highly skilled technical, managerial and marketing personnel.

The Company is dependent on its information technology systems and third-party servicers, and systems failures, interruptions or breaches of security could have an adverse effect on its financial condition and results of operations.

The Company's business is dependent on the successful and uninterrupted functioning of its information technology systems setup by third-party providers, as it outsources many of its major systems. The Company relies on the controls of these providers in lieu of controls setup by the Company. The failure of these systems, or the termination of a third-party software license or service agreement on which any of these systems is based, could interrupt the Company's operations. Because the Company's information technology and telecommunications systems interface with and depend on third-party systems, the Company could experience service denials if demand for such services exceeds capacity or such third-party systems fail or experience interruptions.

The exercise of outstanding options and warrants may have a dilutive effect on the price of the Common Shares.

To the extent that outstanding stock options and warrants are exercised, dilution to the Company's shareholders will occur. Moreover, the terms upon which the Company will be able to obtain additional equity capital may be adversely affected, since the holders of the outstanding options and warrants can be expected to exercise them at a time when the Company would, in all likelihood, be able to obtain any needed capital on terms more favorable to it than the exercise terms provided by the outstanding options and warrants.

The Company does not expect to pay dividends in the future. Any return on investment may be limited to the value of the Common Shares.

The Company does not currently anticipate paying cash dividends in the foreseeable future. The payment of dividends on Common Shares will depend on earnings, financial condition and other business and economic factors affecting it at such time as the board of directors may consider relevant. The Company's current intention is to apply net earnings, if any, in the foreseeable future to increasing its capital base and development and marketing efforts. There can be no assurance that the Company will ever have sufficient earnings to declare and pay dividends to the holders of Common Shares, and in any event, a decision to declare and pay dividends is at the sole discretion of the Company's board of directors. If the Company does not pay dividends, its Common Shares may be less valuable because a return on your investment will only occur if its stock price appreciates.

ADDITIONAL INFORMATION

The Company files annual and other reports and other information with Canadian securities regulatory authorities. The documents are available to the public at http://www.sedar.com.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.