

RYU Apparel Announces Closing of Short Form Prospectus Offering

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VANCOUVER, July 25, 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 that it has closed its previously announced short form prospectus offering, including the full exercise of the over-allotment option, raising gross proceeds of \$3,737,500.02 for the Company. Canaccord Genuity Corp. (the "**Agent**") acted as agent with respect to the sale of 41,527,778 units of the Company (the "**Units**") at a price of \$0.09 per Unit (the "**Offering**"). Each Unit consists of one common share of the Company (a "**Share**") and one transferable common share purchase warrant (each, a "**Warrant**"). Each Warrant is exercisable into one Share until July 25, 2019, at an exercise price of \$0.135. The Units were sold pursuant to an agency agreement dated July 10, 2017 between the Company and the Agent (the "**Agency Agreement**").

In consideration for the services performed by the Agent under the Agency Agreement, the Company: (i) paid the Agent a cash commission equal to 7% of the \$3,278,750.04 in gross proceeds raised from purchasers not on the president's list comprised of investors introduced by the Company to the Agent (the "**President's List**") and 3.5% of the \$458,749.98 in gross proceeds raised from purchasers on the President's List; and (ii) issued to the Agent and a member of its selling group common share purchase warrants, each such warrant being exercisable at \$0.135 per common share until July 25, 2019, in an aggregate number equal to 7% of the 36,430,556 Units sold to purchasers not on the President's List and 3.5% of the 5,097,222 Units sold to purchasers on the President's List. In addition, the Company paid the Agent a corporate finance fee of \$25,000, consisting of \$12,500 in cash and \$12,500 in common shares of the Company (the "**Corporate Finance Shares**"), issued at a deemed price equal to \$0.09 per Share, being equal to 138,888 Corporate Finance Shares.

Maria Leone, a director of the Company, purchased 1,666,667 Units for aggregate gross proceeds of \$150,000.03. This purchase is a "related party transaction" within the meaning of Multilateral Instrument 611101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 611101**"). This purchase was exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, since the fair market value of the Units purchased by Ms. Leone did not exceed 25% of the Company's market capitalization. A material change report will be filed less than 21 days before the date of this purchase. This shorter period is reasonable and necessary in the circumstances to improve the Company's financial position.

The securities described herein have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction where such offer, solicitation, or sale would be unlawful.

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

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