

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 1, 2018 and March 2, 2018

3. News Release

The news release was disseminated through Canada NewsWire on March 6, 2018.

4 Summary of Material Change

Appointment of Cesare Fazari

The Company announced the appointment of Cesare Fazari to the Company’s Advisory Board, effective March 1, 2018, and the Company’s entry into a Corporate Advisor Agreement dated March 1, 2018 with Mr. Fazari whereby, among other things, the Company agreed to grant Mr. Fazari 2,500,000 stock options at the exercise price of \$0.29 per common share until expiry on March 2, 2018.

Stock Option Grant

The Company also announced that it had granted 3,610,000 stock options to its executive officers, 700,000 stock options to its directors, 3,925,000 to employees, and 3,300,000 stock options to consultants (including the amount for Mr. Fazari) for the purchase of up to an aggregate 11,535,000 common shares of the Company, pursuant to its Revised 2014 Stock Option Plan, at a price of \$0.29 per common share. Common shares issuable upon the exercise of stock options held by directors and officers of the Company will be subject to a hold period imposed by the TSX Venture Exchange of four months and one day from the date of the grant of the stock options. Each option granted to executive officers, directors, employees and certain consultants is exercisable for a period of two to ten years. These stock options vest as follows: (i) 9,972,500 stock options vest immediately; (ii) as to 150,000 stock options, 25% vest after 3 months, 25% vest after 6 months and 25% vest after 9 months; and (iii) 1,412,500 stock options vest after 1 year.

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

March 6, 2018

RYU Apparel Announces Appointment of Cesare Fazari to Advisory Board and Grant of Stock Options

VANCOUVER, March 6, 2018 /CNW/ - RYU Apparel Inc. (TSX VENTURE: RYU & Frankfurt Stock Exchange: RYA) ("**RYU**" or the "**Company**"), creators of urban athletic apparel, is pleased to announce the appointment of Mr. Cesare Fazari to the Advisory Board and the grant of stock options.

Cesare Fazari

The Company is pleased to announce the appointment of Mr. Cesare Fazari to its Advisory Board, effective March 1, 2018. Mr. Fazari is a shareholder and a proud supporter of the RYU brand.

As a founding partner in Northwood Developments for more than 30 years, Mr. Fazari has successfully specialized in commercial retail rollout, completing thousands of turnkey locations with major commercial franchises such as Shoppers Drug Mart, Marshalls, Trade Secrets and Public Mobile to name a few. With his entrepreneurial vision, Mr. Fazari has been the seed Venture Capital investor in many successful public companies such as Hydropharmacy Corp., Ianthus, Drone Delivery Services, and others. Mr. Fazari also sits on the board as a director of the public merchant bank Fountain Asset Corporation and is on the advisory board of several public and private companies. Further, he has a vast portfolio of over one million square feet of real estate holdings which include hundreds of residential units and hundreds of thousands of square feet of commercial office space, commercial retail, industrial space and land. His philanthropic nature has led him to be actively involved in charitable organizations including The Breakfast Club of Canada, The Canadian Cancer Society and the Good Shepard Food Bank. Together with his wife for over 30 years, they have raised three sons who together are all active in the family business. As a visionary, Mr. Fazari continues to build a portfolio of assets spanning across several industries.

Mr. Fazari said: "I am thrilled to join the RYU family as we all share the same beliefs and vision for the Company. I am excited to offer my guidance and use my experience building companies to help bring RYU to the next level."

In connection with Mr. Fazari's appointment, the Company entered into a Corporate Advisor Agreement dated March 1, 2018, whereby, among other terms, the Company agreed to grant him 2,500,000 stock options at the exercise price of \$0.29 per common share until expiry on March 2, 2028.

Stock Option Grant

The Company announces that it has granted 3,610,000 stock options to its executive officers, 700,000 stock options to its directors, 3,925,000 to employees, and 3,300,000 stock options to consultants (including the amount for Mr. Fazari) for the purchase of up to an aggregate 11,535,000 common shares of the Company, pursuant to its Long-Term Performance Incentive Plan, at a price of \$0.29 per common share. Common shares issuable upon the exercise of stock options held by directors and officers of the Company will be subject to a hold period imposed by the TSX Venture Exchange of four months and one day from the date of the grant of the stock options.

Each option granted to executive officers, directors, employees and certain consultants is exercisable for a period of two to ten years. These stock options vest as follows: (i) 9,972,500 stock options vest immediately, (ii) as to 150,000 stock options, 25% vest after 3 months, 25% vest after 6 months, 25% vest after 9 months, and (iii) as to 1,412,500 stock options, vest after 1 year.

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

About RYU

Respect Your Universe is an award winning urban athletic apparel and accessories brand engineered for the fitness, performance and lifestyle of the athletically minded man and woman. Innovatively designed without compromise and tailored for fit, comfort, 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

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 press release.

SOURCE RYU Apparel Inc.

View original content: <http://www.newswire.ca/en/releases/archive/March2018/06/c4306.html>

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CO: RYU Apparel Inc.

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