

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company:

RYU Apparel Inc. (the “**Company**”)
1745 West 4th Avenue
Vancouver, BC V6J 1M2

Item 2. Date of Material Change

October 5, 2022

Item 3. News Release:

The news release was disseminated through Stockwatch and BayStreet on October 5, 2022.

Item 4. Summary of Material Change:

The Company announced that it is applying to the TSX Venture Exchange (the “**TSXV**” or “**Exchange**”) to extend the expiry date of 96,265,000 common share purchase warrants (the “**Warrants**”) issued by the Company in connection with a private placement financing that closed on October 29, 2020. The original term of the Warrants was two years and currently expires on October 29, 2022. The Company proposes to extend the expiry date to October 29, 2025. No other terms of the Warrants are to be amended and the exercise price remains at \$0.055. The proposed amendment of the Warrants is subject to TSXV approval.

Item 5. Full Description of Material Change:

5.1 Full Description of Material Change

The Company announced that it is applying to the Exchange to extend the expiry date of 96,265,000 Warrants issued by the Company in connection with a private placement financing that closed on October 29, 2020. The original term of the Warrants was two years and currently expires on October 29, 2022. The Company proposes to extend the expiry date to October 29, 2025. No other terms of the Warrants are to be amended and the exercise price remains at \$0.055. The proposed amendment of the Warrants is subject to TSXV approval.

Certain of the Warrants are Related Party Warrants. Therefore, the amendment of the Related Party Warrants constitutes a “related party transaction” as contemplated by Multilateral Instrument 61-101 Protection of Minority Shareholders in Special Transactions, and TSXV Policy 5.9 - Protection of Minority Shareholders in Special Transactions. However, the exemptions from formal valuation and minority approval requirements provided for by these guidelines can be relied upon because neither the fair market value of the Related Party Warrants nor the fair market value of the consideration paid for the Related Party Warrants exceeds 25% of the market capitalization of the Company. A material change

report in respect of this related party transaction will be filed by the Company. The extension of the Warrants would only be effective upon TSXV approval and receipt of the requisite confirmation from the holders of the Warrants.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on Subsection 7.12(2) of National Instrument 51-102:

Not applicable.

Item 7. Omitted Information

No material facts have been omitted from this Material Change Report.

Item 8. Executive Officer

For further information, contact:
Cesare Fazari, Chief Executive Officer of the Company
(844) 535-2880

Item 9. Date of Report

October 6, 2022