FORM 51-102F3
NATIONAL INSTRUMENT 51-102

MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102

FILED VIA SEDAR

Item 1. Name and Address of Company

Route1 Inc.
155 University Avenue, Suite 1920
Toronto, Ontario
M5H 3B7

Item 2. Date of Material Change

A material change took place on October 27, 2009.

Item 3. News Release

On October 28, 2009, a news release in respect of the material change was released by telecopier through the facilities of Marketwire.

Item 4. Summary of Material Change

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

Item 5. Full Description of Material Change

A full description of the material change is contained under Item 4.

Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

The report is not being filed in reliance on section 7.1(2) or (3) of National Instrument 51-102.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

Jeremy Budd
Corporate Secretary
416-867-8800 x. 207

Item 9. Date of Report

October 28, 2009.

SCHEDULE "A"

Route1®
Securing the Digital World™

Route1 Provides Update

TORONTO, ONTARIO – October 28, 2009 - Route1 Inc. ("Route1" or the "Company") (TSX VENTURE: ROI), a security and identity-based services company, today provided an update on several key initiatives.

CEO Review

An independent, third party review investigating the reasons for the termination of K. Andrew White as Chief Executive Officer of Route1 by the previous board of directors on July 20, 2009, was conducted by Stanley M. Beck, Q.C., a former law professor and Dean of Osgoode Hall Law School, and past Chair of the Ontario Securities Commission. As noted in previous Company releases, the reason given for Mr. White's termination, which was stated to be for cause, was a result of Mr. White's "past performance". Mr. Beck was asked by the newly elected board of directors of Route1 to express an opinion on whether the background documents indicated any integrity concerns with respect to Mr. White, and whether such concerns played a part in his termination.

In his investigation, Mr. Beck reviewed the correspondence and documentation provided by the prior board of directors of Route1 to the TSX Venture Exchange regarding Mr. White's dismissal. Mr. Beck's findings indicate there is no reason why the current board of directors of Route1 should be concerned as to Mr. White's ongoing conduct as CEO. Mr. Beck also noted that "the Company appears to have been operated quite successfully and that, with mutual understanding as to operational guidelines and communication requirements, as well as the normal board oversight, [he saw] no reason why Mr. White should not carry on successfully as CEO with the confidence of the board."

The board of directors has accepted Mr. Beck's report and considers this matter now closed. Effective immediately, Mr. White has been appointed by the board of directors of Route1 as President and CEO.

Changes to Management

Effective immediately, Route1 has terminated its relationship without cause with Anthony Rzepka, Executive Vice President, Chief Financial Officer and Treasurer. The board of Route1 acknowledges and recognizes Mr. Rzepka's significant past contributions to the Company, especially over the past few months, and wishes him well in his future endeavours.

The Company also announced that effective immediately, Tim Hyland, Executive Vice President and Chief Operating Officer has been terminated.

Lastly, Mr. White has asked Tony Busseri to act as a director-at-large and work with him in identifying and retaining new additions to the management team that will enhance the Company's operational effectiveness and competitive position as it moves into the next phase of its evolution.

Mr. White, with Mr. Busseri's assistance, will review and improve the Company's internal and external operations that will reposition Route1 to enhance the execution of its business plan. Key goals in this initiative include:

- Strengthening internal human capabilities in order to provide a higher level of customer service and support;
- Redefining and improving Route1 as an organization to better position it to execute on its current and future client arrangements;
- Improving the efficiency and effectiveness of its management reporting systems; and
- Improving the planning and execution of its organic growth plan.

"We are taking all the appropriate steps to ensure that our relationships with key customers such as Qwest Government Services Inc., the Government of the Netherlands, and the Canadian Government remain strong, and to build a solid platform to attract and retain new business," stated Mr. White, President and CEO of Route1. "As outlined in our previous public disclosure, the new board of Route1 is focused on transforming the Company to deliver on the significant near term and long range opportunities that exist in our space. The Company's cash flow and earnings goals remain on track and we have successfully improved the Company's access to capital in order to continue to expand our operations and sales reach."

About Route1

Route1 delivers award-winning security and identity management solutions to customers worldwide. These solutions provide universal, secure access to all digital resources and sensitive data. At the heart of Route1's solutions is MobiNET, a communications and service delivery platform focused on identity management and entitlement-based access to resources. Route1's patent-pending solutions are based on FIPS-140-2 cryptographic modules, and simplify the process of meeting increasingly stringent regulatory requirements around privacy and security. Headquartered in Toronto, Route1 is listed on the TSX Venture Exchange (symbol: ROI). For more information, visit www.route1.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Certain statements in this press release may contain words such as "could", "expects", "may", "anticipates", "believes", "intends", "estimates", "targets", "envisions", "seeks" and other similar language and are considered forward-looking statements or information under applicable securities legislation. These statements are based on Route1's current expectations, estimates, forecasts and projections about the operating environment, legal environment, economies and markets in which Route1 operates. These statements are subject to important assumptions, risks and uncertainties, which are difficult to predict and the actual outcome may be materially different from those contemplated in forward-looking statements. Unless otherwise required by applicable securities laws, Route1 disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.