

**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 August 20, 2010.

Item 3. News Release

On August 20, 2010, 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

August 20, 2010.

SCHEDULE "A"

PRESS RELEASE

Amar S. Doman to Stand for Election as a Director

K. Andrew White to Step Down as Vice Chair

TORONTO, ONTARIO – August 20, 2010 - Route1 Inc. (TSXV: ROI) (“Route1” or the “Company”), a security and identity management company, today announced that the following persons have been nominated to stand for election as directors at Route1’s September 15, 2010 annual and special meeting of shareholders (the “Meeting”): Tony P. Busseri, Peter F. Chodos, Amar S. Doman, Michael F. Doolan and Michael D. Harris.

The Meeting will be held at 9:00 am (Toronto time) at the TMX Broadcast Centre (TSX), The Exchange Tower, 130 King Street West, Toronto, Ontario. For more information on the matters to be voted on at the Meeting, please see Route1’s Management Information Circular and other meeting materials that were mailed to Route1’s shareholders of record as at August 11, 2010 and are available on SEDAR at www.sedar.com.

The Company also announced today that effective August 31, 2010, K. Andrew White will be stepping down as Vice Chair. Post August 31, 2010, Mr. White has agreed to act as an advisor to the Company’s management on technology matters, particularly, its development and commercial application, for a period of at least one year.

Amar S. Doman

Mr. Doman was the founder of The Futura Corporation (“TFC”) and was responsible for the initial acquisition of CanWel Building Materials Ltd. (“CBML”) from its previous owners and the Surewood Forest Products Division from its previous owners. Mr. Doman spearheaded the CanWel Hardware, Surewood Treating and BLC acquisitions and has steadily built CanWel to its current level. Mr. Doman has over 20 years’ experience in the building materials manufacturing and distribution industries. He is the Chairman of the Board of Directors for both TFC and CBML and was appointed Chief Executive Officer of CanWel in February 2010. Mr. Doman is also a member and chair of the board of trustees of Tree Island Wire Income Fund (TSX). Mr. Doman is a former director of the Canadian Institute of Treated Wood and the Building Supply Dealers Association of British Columbia. Mr. Doman was also named Ernst & Young Pacific Region Business to Business Entrepreneur of the Year in 2005.

ABOUT ROUTE1 INC.

Route1 delivers award-winning security and identity management solutions to customers world-wide. These solutions provide universal, secure access to all digital resources and sensitive data. At the heart of Route1’s solutions is the MobiNET[®], a communications and service delivery platform focused on identity management and entitlement-based access to resources. Route1’s patented solution is based on FIPS-140-2 cryptographic modules, and simplifies the process of meeting increasingly stringent regulatory requirements around privacy and security. Headquartered in Toronto, Route1 is listed on the TSX Venture Exchange. For more information, visit www.route1.com.

For More Information 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.

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