

**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 September 1, 2010.

Item 3. News Release

On September 1, 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

September 1, 2010.

SCHEDULE "A"

PRESS RELEASE



Route1 Receives Allowance of its U.S. Patent Application for the MobiNET

TORONTO, ONTARIO – September 1, 2010 - Route1 Inc. (TSXV: ROI), a security and identity management company, today announced that the United States Patent and Trademark Office has allowed Route1's patent application titled, "System and Method for Accessing Host Computer via Remote Computer." Route1 expects it to be issued later this year.

The Route1 patent application claims a method of enabling communication between a host and a remote device using a controller, comprising connecting the controller to the host, connecting the controller to the remote device, the host and the remote device being in separate locations, validating, at the controller, digital identity certificates received from each of the host and the remote device, each identity certificate containing: (i) the public half of an asymmetric key algorithm key pair, (ii) identity information, and (iii) a digital signature of the issuing certificate authority, thereby converting the host to a validated host, and converting the remote device to a validated remote device, receiving, at the controller, a selection of the host from the validated remote device, sending parameters for the validated remote device from the controller to the selected host, sending an instruction, from the controller to the selected host, to establish a connection to the remote device, receiving, at the controller, notifications from the selected host and the validated remote device that a connection exists therebetween, and after receiving notice of a connection between the selected host and the validated remote device, refraining from involvement, at the controller, in transporting data between the selected host and the validated remote device, so that the selected host and the validated remote device subsequently communicate with each other without using any resource of the controller.

The patent application was originally filed on September 7, 2004.

This will be Route1's second patent issued by the United States Patent Office. Route1's first patent, U.S. Patent 7,739,726, issued on June 15, 2010 is titled, "Portable Device for Accessing Host Computer via Remote Computer."

Tony Busseri, President and CEO of Route1, explains, "Our first patent covers our MobiKEY device that is used to enable any computer to remotely access their files on a host computer. Our second forthcoming patent covers our MobiNET controller that sets up the connection between a remote computer and a host computer."

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 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.

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