MATERIAL CHANGE REPORT

1. **Reporting Issuer:**

   Reality Commerce Corporation ("Reality" or the "Company")
   5815 Coach Hill Road S.W.
   Calgary, AB T3H 1E3

2. **Date of Material Change:**

   August 23, 2004.

3. **News Release**

   A press release dated August 23, 2004 disclosing in detail the contents of this material change report was disseminated through the facilities of Stockwatch and would have been received by the securities commissions where the Company is a "reporting issuer" and the stock exchange on which the securities of the Company are listed and posted for trading in the normal course of their dissemination.

4. **Summary of Material Change:**

   On August 23, 2004, the Company announced that it had completed a previously announced amalgamation with RightsMarket Ltd. to form a new company ("Amalco") which will carry on business under the name "Reality Commerce Corporation".

5. **Full Description of Material Change:**

   See the attached press release.

6. **Reliance on Confidentiality Provisions:**

   Not Applicable

7. **Omitted Information:**

   Not Applicable

8. **Senior Officers:**

   For further information, please contact Dean Bethune, President, Chief Executive Officer and a director of Reality Commerce Corporation, 5815 Coach Hill Road S.W., Calgary, Alberta, T3H 1E3, (403) 217-7923.

   DATED August 23, 2004.

REALITY COMMERCE CORPORATION AND RIGHTSMARKET LTD. COMPLETE STATUTORY AMALGAMATION

Calgary, Alberta – August 23, 2004 – Reality Commerce Corporation ("Reality Commerce" or the "Company") (TSX: RTC) and RightsMarket Ltd. ("RightsMarket") are pleased to announce the successful completion of the previously announced business combination (the "Amalgamation") of Reality and RightsMarket pursuant to an amalgamation agreement dated July 15, 2004 (the "Amalgamation Agreement") which received requisite shareholder approval at separate annual and special meetings (the "Meetings") of shareholders of each company on August 23, 2004. At the Meetings, Shareholders also adopted a new stock option plan for Amalco, reduced the stated capital account of each company, appointed auditors and elected a new board of directors. The amalgamated company is now operating under the name "Reality Commerce Corporation" ("Amalco").

Through this transaction, one (1) common share of Amalco (an "Amalco Share") was issued for each eight and one-third (8⅓) common shares of RightsMarket and each five (5) Class A common shares of Reality Commerce, formerly issued and outstanding. Upon completion of the Amalgamation, 8,410,339 Amalco Shares were issued and former shareholders of Reality Commerce and RightsMarket retained an approximate 53% and 47% interest, respectively, in the combined entity. As the shareholdings of RightsMarket were very widespread, completion of the Amalgamation did not result in the creation of a new control position or a change of control in or of Reality Commerce.

Immediately prior to the Amalgamation becoming effective, Reality and RightsMarket entered into an assumption agreement (the "Assumption Agreement") with respect to certain obligations of Reality to its directors and officers. In conjunction therewith, RightsMarket issued an aggregate of 2,452,501 common shares at a price of $0.03 per share. Upon completion of the Amalgamation, these additional RightsMarket Shares were converted into a total of 294,300 Amalco Shares and form part of the total number of Amalco Shares issued in connection with the Amalgamation. The Amalco Shares issued under the Assumption Agreement are subject to a four (4) month hold period which expires on December 20, 2004.

It is expected that the Amalco Shares will commence trading shortly on the TSX Venture Exchange under the trading symbol "RYC".

ABOUT THE COMPANIES

REALITY COMMERCE CORPORATION

Reality Commerce Corporation, an embedded software company, licenses software to Original Equipment Manufacturers who develop video-based hardware products. The Company significantly reduces the time and capital it requires to bring its customer's products to commercialization. The Company's product offering has been licensed for use in the video surveillance, video on demand and consumer electronics markets. Reality Commerce is headquartered in Calgary, Alberta with offices in Richmond, British Columbia. Prior to the Amalgamation becoming effective, the company traded on the TSX Venture Exchange (TSX: RTC)

RIGHTSMARKET LTD.

RightsMarket Ltd. is a provider of persistent information security solutions that enable information owners and custodians to protect information wherever it goes, even after delivery to legitimate users. Utilizing its expertise in Digital Rights Management, RightsMarket has developed the RightsEnforcer suite of products to provide persistent security, access control and complete tracking and audit capability for valuable or confidential information. The RightsEnforcer product suite works in conjunction with existing security models to provide enhanced "anytime, anywhere" protection. It can grant and revoke access even after information has been distributed. Persistent security ensures that even authorized users are subject to policies that control inappropriate use. RightsEnforcer integrates seamlessly with standard email tools (such as Microsoft Outlook and Lotus Notes) to provide persistent information protection with almost no impact on user workflow.

For more information please contact:

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

Certain information set forth in this press release, including a discussion of future plans and operations, contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. Actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements