

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

IPICO Inc. (the “Company”)
4480 Harvester Road,
Burlington, Ontario
L7L 4X2

Item 2. Date of Material Change

August 20, 2007

Item 3. Press Release

Date of Issuance: August 20, 2007
Place of Issuance: Burlington, Ontario
Disseminated through: Canadian News Network

Item 4. Summary of Material Change

The Company announced that it has entered into an exclusive distribution agreement with China Academy of Transportation Sciences (“CNATS”). Under this agreement CNATS will supply IPICO’s Electronic Vehicle Toll and Management solution into the Chinese market in order to address the growing need for cost-effective traffic management systems.

Item 5. Full Description of Material Change

IPICO Inc. (TSX-V:RFD) announced that it has entered into an exclusive distribution agreement with China Academy of Transportation Sciences (“CNATS”). Under this agreement CNATS will supply IPICO’s Electronic Vehicle Toll and Management solution into the Chinese market in order to address the growing need for cost-effective traffic management systems.

To maintain this exclusive arrangement CNATS must commit to minimum purchase volumes of RMB 24 million (approximately CDN \$3 million) from IPICO of its Radio Frequency Identification (RFID) Electronic Vehicle Identification (EVI) solution over the next three years.

Transportation authorities in South Africa, Brazil, Mexico, Kingdom of Saudi Arabia and other countries have announced nationwide initiatives to deploy RFID based systems to monitor the movement of all vehicles on public roads. RFID EVI is viewed by those authorities as an essential instrument to assist the development of efficient transportation systems in those emerging economies. As a global leader amongst the world’s emerging economies, China is also expected to be a front-runner in the utilization of RFID to manage its fast-expanding transportation networks.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

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President
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Item 9. Date of Report

August 20, 2007