FORM 27

MATERIAL CHANGE REPORT

Filed pursuant to Section 75(2) of the *Securities Act,* Ontario
and corresponding provisions of the
securities legislation in other provinces

1. **Reporting Issuer**

   Corel Corporation
   1600 Carling Avenue
   Ottawa, Ontario
   K1Z 8R7

2. **Date of Material Change**

   July 3, 2003

3. **Press Release**

   July 3, 2003

4. **Summary of Material Change**

   See press release dated July 3, 2003 attached as Schedule A hereto.

5. **Full Description of Material Change**

   See press release dated July 3, 2003 attached as Schedule A hereto.

6. **Reliance on Section 75(3) of the Act**

   Not applicable.

7. **Omitted Information**

   Not applicable.

8. **Senior Officers**

   Joel Price
   Vice President Finance and Interim
   Chief Financial Officer
   Corel Corporation
   1600 Carling Avenue
   Ottawa, Ontario,
   K1Z 8R7
   Telephone: (613) 728-8200

9. **<u>Statement of Senior Officer</u>**

The foregoing accurately discloses the material change referred to herein.

DATED at Ottawa, Ontario, this 3rd day of July, 2003.

COREL CORPORATION

By: "Joel Price"
Name: Joel Price
Title: Vice President Finance and Interim Chief Financial Officer

Schedule A

For Immediate Release

Corel To Remain Listed on NASDAQ National Market

NASDAQ Listing Qualifications Panel Grants Company''s Appeal of Delisting Notice

Ottawa, Canada — July 3, 2003 — Corel Corporation (NASDAQ: CORL, TSX: COR) today announced that the Company''s securities will remain listed on the NASDAQ National Market following the successful appeal of its delisting notice before the NASDAQ Listing Qualifications Panel.

Corel received a NASDAQ Staff Determination on May 1, 2003, indicating that the Company failed to comply with the US $1 minimum bid price requirement for continued listing set forth in Marketplace Rule 4450(a)(5). Corel officials presented the Company''s appeal in a hearing on June 5, 2003. The company was notified of the Panel''s decision on July 2, 2003.

In rendering its decision, the Panel acknowledged the Company''s compliance with the minimum bid price requirement given that Corel''s stock closed at or above US $1 per share for the past 17 consecutive trading days. The Company also complies with all other requirements for continued listing on the NASDAQ National Market.

The NASDAQ Listing and Hearing Review Council has the option to review any Panel decision within 45 calendar days after issuance of a decision. If the Listing Council determines to review this decision, it may affirm, modify, reverse, dismiss, or remand the decision to the Panel.

About Corel Corporation

Founded in 1985, Corel Corporation (www.corel.com) is a leading technology company specializing in content creation tools, business process management and XML-enabled enterprise solutions. The company''s goal is to give consumers and enterprise customers the ability to create, exchange and instantly interact with visual content that is always relevant, accurate and available. With its headquarters in Ottawa, Canada, Corel''s common stock trades on the Nasdaq Stock Market under the symbol CORL and on the Toronto Stock Exchange under the symbol COR.http://www.corel.com

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