A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. These securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about the securities and it is an offence to claim otherwise.

The common shares have not been registered under the United States Securities Act of 1933, as amended, or the ''1933 Act'', or any state securities laws and may not be offered or sold, directly or indirectly, in the United States without registration or the availability of an exemption therefrom. Each underwriter has agreed that, except as permitted by the Underwriting Agreement, it will not offer or sell the common shares as part of the distribution of common shares at any time within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the 1933 Act.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the common shares in the United States. In addition, until 40 days after the commencement of the offering of the common shares, an offer or sale of the common shares within the United States by any dealer, whether or not participating in the offering, may violate the registration requirements of the 1933 Act.

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Certicom Corp. at 25801 Industrial Boulevard, Hayward, California 94545 (telephone (510) 780-5400). For the purpose of the province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Secretary of Certicom Corp. at the above-mentioned address and telephone number.*

Preliminary Short Form Prospectus

New Issue March 9, 2001

certicom™

CERTICOM CORP.

$43,750,000

3,500,000 Common Shares

We are offering 3,500,000 of our common shares in Canada. Our common shares are listed on The Toronto Stock Exchange under the symbol ''CIC'' and on The Nasdaq National Market under the symbol ''CERT''. On March 8, 2001, the closing sale price of our common shares on The Toronto Stock Exchange was $13.75 and on The Nasdaq National Market was U.S. $8.9375.

Price: $12.50 per Common Share

	Price to Public	Underwriting Discounts or Commissions(1)	Net Proceeds to the Company
Per Common Share	$ 12.50	$ 0.625	$ 11.875
Total	$43,750,000	$2,187,500	$41,562,500

(1) Before deducting expenses of the offering, estimated to be $450,000. We will pay our portion of these expenses from the proceeds of the offering.

We have granted the underwriters a 30-day option to purchase from us up to an additional 500,000 common shares solely to cover over-allotments, if any, and for market stabilization purposes. If the option is exercised in full, the total price to the public, underwriting discounts or commissions and proceeds to us before expenses would be $50,000,000, $2,500,000 and $47,500,000, respectively. This prospectus also qualifies the issuance of common shares upon the underwriters' exercise of the option.

The underwriters, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued and delivered by us and accepted by the underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under ''Plan of Distribution'' and subject to approval of certain legal matters on our behalf by McCarthy Tétrault and on behalf of the underwriters by Blake, Cassels & Graydon LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of this offering will take place on or about March 26, 2001, or such other date as may be agreed upon, and that the certificates for the common shares offered hereby will be available for delivery at closing.

You should rely only on the information contained in this prospectus. We and the underwriters have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, our common shares only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common shares.

In this prospectus, ‘‘Certicom’’, ‘‘we,’’ ‘‘us,’’ and ‘‘our’’ refer to Certicom Corp., a corporation governed by the laws of the Yukon Territory, Canada and/or its subsidiaries.

Certicom® and Security Builder® are our registered trademarks, and certicom encryption™, SSL Plus™, SSL Plus for Embedded Systems™, WTLS Plus™, Certilock™, Mobile Trust™ and *Trustpoint™ are our trademarks. Palm OS®* and *Palm.Net® are registered trademarks, and Palm™ VII is a trademark of Palm, Inc. and Powertool™ Pro is a trademark of BellSouth Wireless Data, L.P. There are also references in this prospectus to the trademarks of other companies.*

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EXCHANGE RATE INFORMATION

The following table sets forth, for each period indicated, information concerning the exchange rates between U.S. dollars and Canadian dollars based on the Bank of Canada noon rate of exchange for Canadian dollars into U.S. dollars on the last business day of each month during the period (the ''Noon Buying Rate'') (except for March 2001, for which amount is as of March 8, 2001). The table illustrates how many U.S. dollars it would take to buy one Canadian dollar. On March 8, 2001 the Noon Buying Rate was U.S. $0.6455 per Cdn. $1.00.

Fiscal Year Ended April 30,	High	Low	Average[1]	End of Period
1999	.6343	.6983	.6627	.6861
2000	.6609	.6973	.6802	.6752
Fiscal Interim Periods				
2000 (May 1, 1999 through October 31, 1999)	.6609	.6894	.6748	.6794
2001 (May 1, 2000 through October 31, 2000)	.6532	.6830	.6690	6548
2001 (November 1, 2000 through March 8, 2001)	.6413	.6695	.6593	.6455

(1) The average of the daily Noon Buying Rates on the last business day of each month during the period.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus, and in certain documents incorporated by reference in this prospectus, constitute ''forward-looking statements''. When used in this document, the words ''may,'' ''would,'' ''could,'' ''will,'' ''intend,'' ''plan,'' ''anticipate,'' ''believe,'' ''estimate'', ''expect'' and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, those which are discussed under the heading ''Risk Factors''. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. We do not intend, and do not assume any obligation, to update these forward-looking statements.

RISK FACTORS

Before making an investment decision investors should carefully consider the risks and uncertainties described below. These risks and uncertainties are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of such risks actually occur, our business, financial condition and operating results could be materially harmed.

Risks Related to Our Company

We have a limited operating history and have incurred losses since inception and anticipate incurring losses for the foreseeable future

Although we have been engaged in the cryptographic security industry since 1985, we did not ship our first commercial toolkit or enter the U.S. market until 1997. Accordingly, our business operations are subject to all of the risks inherent in a new business enterprise, such as competition and viable operations management.

Since our inception, we have incurred substantial net losses. As of January 31, 2001, we had an accumulated deficit of approximately U.S.$82.1 million. We expect to incur additional losses for the next few years, and we may never achieve profitability. If we do achieve profitability, we may not be able to sustain it. Because we may be unable to sustain our revenue growth, you should not consider our historical growth indicative of our future revenue levels or operating results. Our success will depend in large part upon our ability to generate sufficient revenue to achieve profitability and to maintain existing customer relationships and to develop new customer relationships.

Because our quarterly operating results are subject to fluctuations, period-to-period comparisons of our operating results are not necessarily meaningful and you should not rely on them as an indication of future performance

Our quarterly operating results have historically fluctuated and may fluctuate significantly in the future. Accordingly, our operating results in a particular period are difficult to predict and may not meet the expectations of securities analysts or investors. If this were to occur, our share price would likely decline significantly. Factors that may cause our operating results to fluctuate include:

- the level of demand for our products and services as well as the timing of new releases of our products;
- our dependence in any quarter on the timing of a few large sales;
- our ability to maintain and grow a significant customer base;
- the fixed nature of a significant portion of our operating expenses, particularly personnel, research and development, and leases;
- costs related to the opening or expansion of our facilities;
- unanticipated product discontinuation or deferrals by our OEM customers;
- changes in our pricing policies or those of our competitors;
- currency exchange rate fluctuations; and
- timing of acquisitions, our effectiveness at integrating acquisitions with existing operations and related costs.

Accordingly, we believe that quarter-to-quarter comparisons of our results of operations are not necessarily meaningful. You should not rely on the results of one quarter as an indication of our future performance.

In addition, we expect to increase our operating expenses significantly as we:

- expand our sales and marketing operations and develop new distribution channels;
- improve existing or build additional software development centres;
- improve our operational and financial systems;
- pursue our acquisition strategy;
- broaden our customer support capabilities; and
- fund greater levels of research and development.

If we do not significantly increase our revenue to meet these increased operating expenses, our business, financial condition and operating results could be materially adversely affected.

Our revenues are difficult to predict

We derive our revenue primarily from sales of our products and services to our OEM customers. Our sales vary in frequency, and OEM customers may or may not purchase our products and services in the future. The sale to, and implementation by, OEMs of our products and services typically involves a lengthy education process, significant technical evaluation and commitment of capital and other resources by them. This process is also subject to the risk of delays associated with OEM's internal budgeting and other procedures for approving capital expenditures, deploying new technologies and testing and accepting new technologies that affect key operations. As a result, the sales and implementation cycles associated with many of our products and services are generally lengthy, and we may not succeed in closing transactions on a timely basis, if at all. If orders expected from a specific customer for a particular period are not realized, our revenues could fail to materialize.

In addition, our customers may defer the purchase of, or stop using, our products and services at any time, and certain license agreements may be terminated by the customer at any time. We negotiate most of our customer contracts on a case-by-case basis, which makes our revenues difficult to predict. Our customer contracts typically provide for base license fees, technology access fees and/or royalties based on a per unit or per usage charge or a percentage of revenue from licensees' products containing our technology. Additionally, a number of our large contracts provide that we will not earn additional royalty revenues from those contracts until these customers' shipments exceed certain thresholds. As a result, our revenues are not recurring from period to period, which makes them more difficult to predict. In addition, estimating future revenue is difficult because we generally ship our products soon after an order is received and, as such, we do not have a significant backlog. Our expense levels are based, in part, on our expectations of future revenues and are largely fixed in the short term. We may not be able to adjust spending in a timely manner to compensate for any unexpected shortfall in revenues.

Some of our products are new, unproven and currently generate little or no revenue

We recently launched our PKI, CA service and VPN client software product. We cannot predict the future level of acceptance, if any, of these new products, and we may be unable to generate significant revenue from these products.

Our business depends on continued development of the Internet and the continued growth of mobile e-business

Our future success is substantially dependent upon continued growth in the use of the Internet and the acceptance of mobile and wireless devices and their use for mobile e-business. The adoption of the Internet for commerce and communications, particularly by individuals and companies that have historically relied upon alternative means of commerce and communication, generally requires the understanding and acceptance of a new way of conducting business and exchanging information. In particular, companies that have already invested substantial resources in other means of conducting commerce and exchanging information may be particularly reluctant or slow to adopt a new, Internet-based strategy that may make their existing infrastructure obsolete. To the extent that individuals and businesses do not consider the Internet to be a viable commercial and communications medium, our business may not grow.

In addition, our business may be harmed if the number of users of mobile and wireless devices does not increase, or if e-business and mobile e-business do not become more accepted and widespread. The use and acceptance of the Internet and of mobile and wireless devices may not increase for any number of reasons, including:

- actual or perceived lack of security for sensitive information, such as credit card numbers;
- traffic or other usage delays on the Internet;
- competing technologies;
- governmental regulation; and
- uncertainty regarding intellectual property ownership.

Capacity constraints caused by growth in the use of the Internet may impede further development of the Internet to the extent that users experience delays, transmission errors and other difficulties. If the necessary infrastructure, products, services or facilities are not developed, if the Internet does not become a viable and widespread commercial and communications medium or if individuals and businesses do not increase their use of mobile and wireless devices for mobile e-business, our business, financial condition and operating results could be materially adversely affected.

Our success depends on an increase in the demand for digital signatures in mobile e-business transactions and ECC-based technology becoming accepted as an industry standard

For handheld devices, many of the advantages our elliptic curve cryptography, or ECC-based technology, has over conventional security technology are not applicable to a transaction that does not involve the creation of a digital signature on a handheld device. The vast majority of e-business and mobile e-business transactions currently do not involve such digital signatures. Participants in mobile e-business have only recently begun to require client digital signatures in some applications, such as enterprise data access and certain high-value transactions. Unless the number of mobile e-business transactions involving client digital signatures increases, the demand for our products and services, and consequently, our business, financial condition and operating results could be materially adversely affected.

To date, ECC-based technology has not been broadly accepted. In order for our business to be successful, ECC-based technology must become accepted as an industry standard, which may never happen. The technology of our principal competitor, RSA Security Inc., is and has been for the past several years, the de facto standard for security over open networks like the Internet. The patent related to this competing technology expired in September 2000, making this technology freely available. The free availability of such security technology could significantly delay or prevent the acceptance of ECC as a security standard.

We must manage our growth

We have experienced a period of significant growth in our sales and personnel that has placed strain upon our management systems and resources. Our sales increased from U.S.$8.1 million for the nine months ended January 31, 2000 to U.S.$19.0 million for the nine months ended January 31, 2001. The number of our full-time, part-time and contract employees increased from 102 at the end of fiscal 1999 to 165 at the end of fiscal 2000 and, subsequently, to approximately 374 as of January 31, 2001. We intend to continue to grow in the foreseeable future and to pursue existing and potential market opportunities, including acquisitions. Our growth has placed, and will continue to place, significant demands on our management and operational resources, particularly with respect to:

- recruiting, training, supervising and retaining skilled technical, marketing and management personnel in an environment where there is intense competition for skilled personnel;
- developing and managing a larger, more complex international organization;
- expanding our treasury and accounting functions and information systems to meet the demands of a growing company;
- strengthening our financial and management controls in a manner appropriate for a larger enterprise;
- expanding our facilities and other infrastructure in a timely manner to accommodate a significantly larger workforce;
- maintaining and expanding a cutting edge research and development staff;
- expanding our sales and marketing efforts; and
- preserving our culture, values and entrepreneurial environment.

Our revenue may not continue to grow at a pace that will support our planned costs and expenditures. To the extent that our revenue does not increase at a rate commensurate with these additional costs and expenditures, our results of operations and liquidity would be materially adversely affected.

Our management has limited experience managing a business of our size and, in order to manage our growth effectively, we must concurrently develop more sophisticated operational systems, procedures and controls. If we fail to develop these systems, procedures and controls on a timely basis, it could impede our ability to deliver products in a timely fashion and fulfill existing customer commitments and, as a result, our business, financial condition and operating results could be materially adversely affected.

Acquisitions could harm our business

We acquired Consensus Development Corporation and Uptronics Incorporated in fiscal year 1999, Trustpoint in fiscal year 2000 and DRG Resources Group, Inc. in fiscal year 2001. We may acquire additional businesses, technologies, product lines or services in the future either in the United States or abroad. For example, we have signed a non-binding term sheet with respect to the possible acquisition of a European-based company. See ''Recent Developments.'' Acquisitions involve a number of risks, potentially including:

- disruption to our business;
- inability to integrate, train, retain and motivate key personnel of the acquired business;
- diversion of our management from our day-to-day operations;
- inability to incorporate acquired technologies successfully into our products and services;
- additional expense associated with completing an acquisition and amortization of any acquired intangible assets;
- impairment of relationships with our employees, customers and strategic partners; and
- inability to maintain uniform standards, controls, procedures and policies.

In addition, we may not be able to maintain the levels of operating efficiency that any acquired company achieved or might have achieved separately. Successful integration of the companies we acquire will depend upon our ability to eliminate redundancies and excess costs. As a result of difficulties associated with combining operations, we may not be able to achieve cost savings and other benefits that we might hope to achieve with these acquisitions.

We may satisfy the purchase price of any future acquisitions through the issuance of our common shares, which would result in dilution to our existing shareholders. We may also incur debt or assume liabilities. We cannot assure you that we will be able to obtain any additional financing on satisfactory terms, or at all. The incurrence of indebtedness would make us more vulnerable to economic downturns and may limit our ability to withstand competitive pressures. The terms of any additional indebtedness may include restrictive financial and operating covenants, which could limit our ability to compete and expand our business.

Our business strategy also includes entering into strategic investments and joint ventures with other companies. These transactions are subject to many of the same risks identified above for acquisitions.

Our success depends on attracting and retaining skilled personnel

Our success is largely dependent on the performance of our management team and other key employees, particularly Scott A. Vanstone, our Chief Cryptographer. Our success also depends on our ability to attract, retain and motivate other qualified personnel. Most of our key technical and senior management personnel are not bound by employment agreements. Loss of the services of any of these key employees would harm our business, financial condition and operating results. We do not maintain key person life insurance policies on any of our employees.

Competition for qualified personnel in the digital information security industry is intense, and finding and retaining qualified personnel in the San Francisco Bay Area and the Greater Toronto Area are difficult. We believe there are only a limited number of individuals with the requisite skills to serve in many of our key positions, and it is becoming increasingly difficult to hire and retain such persons. Competitors and others have in the past and may attempt in the future to recruit our employees. A major part of our compensation to our key employees is in the form of stock option grants. A prolonged depression in our share price could make it difficult for us to retain employees and recruit additional qualified personnel. In addition, the volatility and current market price of our common shares may make it difficult to attract and retain personnel.

We face risks related to our international operations

We are currently in the process of expanding our international presence and operations. We recently opened a sales office in London, England. This expansion is expected to involve opening additional foreign sales offices, which may cause us to incur substantial costs. International sales and operations may be limited or disrupted by increased regulatory requirements, the imposition of government and currency controls, export license requirements, political instability, labour unrest, transportation delays and interruptions, trade restrictions, changes in tariffs and difficulties in staffing and coordinating communications among international operations. These foreign markets may require us to develop new products or modify our existing products. We cannot assure you that we will be able to manage effectively the risks associated with our international operations or that those operations will contribute positively to our business, financial condition or operating results.

We must successfully complete the transition of our financial, accounting and treasury systems from Canada to the United States

Our Chief Executive Officer and Chief Financial Officer are located in our Hayward, California office rather than our Mississauga, Ontario office. We are in the process of moving our internal financial, accounting and treasury functions from Mississauga to Hayward. These changes could cause significant disruption in our company and adversely affect these critical functions. If that were to occur, our business, financial condition and operating results could be materially adversely affected.

We face risks related to intellectual property rights

We rely on one or more of the following to protect our proprietary rights: patents, trademarks, copyrights, trade secrets, confidentiality procedures and contractual provisions. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy and may succeed in copying aspects of our product designs, products or trademarks, or obtain and use information we regard as proprietary. Preventing the unauthorized use of our proprietary technology may be difficult in part because it may be difficult to discover such use. Stopping unauthorized use of our proprietary technology may be difficult, time-consuming and costly. In addition, the laws of some countries in which our products are licensed do not protect our products and services and related intellectual property to the same extent as the laws of Canada, the United States and countries of the European Union. While we believe that at least some of our products are covered by one or more of our patents and these patents are valid, a court may not agree if the matter is litigated. There can be no assurance that we will be successful in protecting our proprietary rights and, if we are not, our business, financial condition and operating results could be materially adversely affected.

The industry in which we compete has many participants who own, or claim to own, intellectual property. We indemnify our licensees against third-party intellectual property claims based on our technology. Claims relating to intellectual property by any third-party business, individual or university, whether or not with merit, could be time-consuming to evaluate, result in costly litigation, cause product shipment delays for products or the cessation of the use and sale of products or services, or require us to obtain licenses by paying license fees and/or royalties to the owners of the intellectual property. Such licensing agreements, if required, may not be available on royalty or other terms acceptable to us. Any of these situations could materially adversely affect our business, financial condition and operating results. We also currently license third party technology for use in some of our products and services. These third party technology licenses may not continue to be available on commercially reasonable terms or may not be available at all. Our business, financial condition and operating results could be materially adversely affected if we lose the right to use certain technology. See ''Business – Legal Proceedings.''

We are engaged in joint development projects with certain companies. One of these projects has resulted in the issuance of jointly owned patents. There is a risk that the companies with which we are working could decide not to commercialize the joint technology and that we may be unable to commercialize joint technology without their consent and/or involvement.

We are a member of certain organizations which set standards. As part of the standards process, the participants are requested to file statements identifying any patents they consider to be essential to implementation of the standard. As such, we may be required to disclose and license patents that we own which are necessary for practice of the standard. Further, to provide products that are compliant with standards that have been adopted or will be adopted in the future, we may have to license patents owned by others. As a part of some standards processes, other companies have disclosed patents that they believe are required to implement those standards. We cannot assure you that we will be able to gain licenses to these patents, if needed, on terms acceptable to us. Such licensing requirements may materially adversely affect the value of our products, and, consequently, our business, financial condition and operating results.

Our products could have defects which could delay their shipment, harm our reputation and increase costs

Our products are highly complex and, from time to time, may contain design defects that are difficult to detect and correct. Errors, failures or bugs may be found in our products after commencement of commercial shipments. Even if these errors are discovered, we may not be able to correct such errors in a timely manner or at all. The occurrence of errors and failures in our products could result in damage to our reputation, lost revenue and the loss of, or delay in achieving, market acceptance of our products, and correcting such errors and failures in our products could require significant expenditure of capital by us. The sale and support of these products may entail the risk of product liability or warranty claims based on damage to such equipment. In addition, the failure of our products to perform to customer expectations could give rise to warranty claims. Our insurance may not cover or its coverage may be insufficient to cover any such claims successfully asserted against us, and therefore the consequences of such errors, failures and claims could have a material adverse effect on our business, financial condition and operating results.

System interruptions and security breaches could harm our business

We are in the process of constructing a secure data centre for issuing certificates. We will depend on the uninterrupted operation of that data centre. We will need to protect this centre and our other systems from loss, damage or interruption caused by fire, power loss, telecommunications failure or other events beyond our control. Most of our systems and the data centre are located, and most of our customer information is stored, in the San Francisco Bay Area, which is susceptible to earthquakes. In addition, certain areas in the state of California have recently experienced power losses. Any damage or failure that causes interruptions in our data centre and our other computer and communications systems could materially adversely affect our business, financial condition and operating results.

Our success also depends upon the scalability of our systems. Our systems have not been tested at the usage volumes that we expect will be required in the future. As a result, a substantial increase in demand for our products and services could cause interruptions in our systems. Any such interruptions could materially and adversely affect our ability to deliver our products and services and our business, financial condition and operating results.

Although we intend to periodically perform, and retain accredited third parties to perform, evaluations of our operational controls, practices and procedures, we may not be able to meet or remain in compliance with our internal standards or those set by these third parties. If we fail to maintain these standards, we may have to expend significant time and money to return to compliance, and our business, financial condition and operating results could be materially adversely affected.

We will retain certain confidential customer information in our planned data centre. It is important to our business that our facilities and infrastructure remain secure and be perceived by the marketplace to be secure. Despite our security measures, our infrastructure may be vulnerable to physical break-ins, computer viruses, attacks by hackers or other disruptive problems. It is possible that we may have to expend additional financial and other resources to address these problems. Any physical or electronic break-ins or other security breaches or compromises of the information stored at our planned data centre may jeopardize the security of information stored on our premises or in the computer systems and networks of our customers. In such an event, we could face significant liability and damage to our reputation, and customers could be reluctant to use our products and services. Such an occurrence could also result in adverse publicity and adversely affect the market's perception of our products and services, which could materially adversely affect our business, financial condition and operating results.

We must continue to develop and maintain strategic and other relationships

One of our business strategies has been to enter into strategic or other collaborative relationships with many of our OEM customers to develop new technologies and leverage their sales and marketing organizations. We may need to enter into additional relationships to execute our business plan. We may not be able to enter into additional, or maintain our existing, strategic relationships on commercially reasonable terms. As a result, we may have to devote substantially more resources to the development of new technology and the distribution, sales and marketing of our security products and services than we would otherwise. The failure of one or more of our strategic relationships could materially adversely affect our business, financial condition and operating results.

We have only recently begun to sell directly to enterprise customers

We have recently started to expand our sales efforts to encompass sales of certain products directly to enterprises other than OEMs. The expansion of our direct sales efforts will require that we attract, hire, train, manage and adequately compensate a larger group of professionals. We cannot assure you that we will be successful in expanding and managing our sales effort or that the revenues produced by our direct sales will offset our increased expenses.

These non-OEM, or enterprise, customers will require different products, support services and integration services than our existing OEM customer base. We cannot assure you that we will be successful in developing the products and services necessary to serve this new customer base.

We compete with some of our customers

We regularly license some of our products to customers who compete with us in other product categories. For example, we license our Security Builder® cryptographic toolkit to Baltimore Technologies for incorporation into their UniCERT™ product, which competes with our Trustpoint™ product line. This potential conflict may deter existing and potential future customers from licensing some of our component products, most notably our Security Builder® cryptographic toolkit. We expect to compete with a greater number of our customers as we further expand our product line.

Our share price has been, and will likely continue to be, volatile

The market price of our common shares has declined significantly in recent months, and we expect that the market price of our common shares may fluctuate substantially as a result of variations in our quarterly operating results. These fluctuations may be exaggerated if the trading volume of our common shares is low. In addition, due to the technology-intensive and emerging nature of our business, the market price of our common shares may fall dramatically in response to a variety of factors, including:

- announcements of technological or competitive developments;
- acquisitions or entry into strategic alliances by us or our competitors;
- the gain or loss of a significant customer or strategic relationship;
- changes in estimates of our financial performance;
- changes in recommendations from securities analysts regarding us, our industry or our customers' industries; and
- general market or economic conditions.

This risk may be heightened because our industry is new and evolving, is characterized by rapid technological change and is susceptible to the introduction of new competing technologies or competitors.

In addition, equity securities of many technology companies have experienced significant price and volume fluctuations. These price and volume fluctuations are sometimes unrelated to the operating performance of the affected companies. Volatility in the market price of our common shares could result in securities class action litigation. This type of litigation, regardless of the outcome, could result in substantial costs to us and a diversion of our management's attention and resources.

Currency fluctuations may harm our business

A substantial portion of our operating expenses are paid in Canadian dollars. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on our business, financial condition and operating results. In particular, we may be materially adversely affected by a significant strengthening of the Canadian dollar against the U.S. dollar. Operating expenses incurred in Canadian dollars represented approximately 33% of our total operating expenses in fiscal year 2000 and approximately 33%, 26% and 29% in the first, second and third quarters ended July 31, 2000, October 31, 2000 and January 31, 2001, respectively.

We have limited financial resources and may require additional financing that may not be available

We may require additional equity or debt financing in the future. There can be no assurance that we will be able to obtain on satisfactory terms, or at all, the additional financing required to compete successfully. Failure to obtain such financing could result in the delay or abandonment of some or all of our business plans, which could have a material adverse effect on our business, financial condition and operating results.

Risks Related to Our Industry

Public key cryptographic technology is subject to risks

Our products and services are largely based on public key cryptographic technology. With public key cryptographic technology, a user has both a public key and a private key. The security afforded by this technology depends on the integrity of a user's private key and on it not being stolen or otherwise compromised. The integrity of private keys also depends in part on the application of certain mathematical principles such as factoring and elliptic curve discrete logarithms. This integrity is predicated on the assumption that solving problems based on these principles is difficult. Should a relatively easy solution to these problems be developed, then the security of encryption products using public key cryptographic technology could be reduced or eliminated. Furthermore, any significant advance in techniques for attacking cryptographic systems could also render some or all of our products and services obsolete or unmarketable. Even if no breakthroughs in methods of attacking cryptographic systems are made, factoring problems or elliptic curve discrete logarithm problems can theoretically be solved by computer systems that are significantly faster and more powerful than those currently available. In the past, there have been public announcements of the successful decoding of certain cryptographic messages and of the potential misappropriation of private keys. Such publicity could also adversely affect the public perception as to the safety of public key cryptographic technology. Furthermore, an actual or perceived breach of security at one of our customers, whether or not due to our products, could result in adverse publicity for us and damage to our reputation. Such adverse public perception or any of these other risks, if they actually occur, could materially adversely affect our business, financial condition and operating results.

Our future success will depend upon our ability to anticipate and keep pace with technological changes

The information security industry is characterized by rapid technological change. Technological innovation in the marketplace, such as in the areas of mobile processing power or wireless bandwidth, or the development of new cryptographic algorithms, may reduce the comparative benefits of our products and could materially adversely affect our business, financial condition and operating results. Our inability, for technological or other reasons, to enhance, develop and introduce products in a timely manner in response to changing market conditions, industrial standards, customer requirements or competitive offerings could result in our products becoming obsolete, or could otherwise have a material adverse effect on our business, financial condition and operating results. Our ability to compete successfully will depend in large measure on our ability to maintain a technically competent research and development staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of our products with evolving industry standards and protocols.

We face significant competition which could harm our ability to maintain or increase sales of our products or reduce the prices we can charge for our products

We operate in a highly competitive industry. Many of our competitors have greater name recognition, larger customer bases and significantly greater financial, technical, marketing, public relations, sales, distribution and other resources than we do. We anticipate that the quality, functionality and breadth of our competitors' product offerings will improve, and there can be no assurance that we will be able to compete effectively with such product offerings. In addition, we could be materially adversely affected if there were a significant movement towards the acceptance of open source solutions or other alternative technologies that compete with our products. We expect that additional competition will develop, both from existing businesses in the information security industry and from new entrants, as demand for information products and services expands and as the market for these products and services becomes more established. Moreover, as competition increases, the prices that we charge for our products may decline. If we are not able to compete successfully, our business, financial condition and operating results could be materially adversely effected. Our most significant direct competitors include RSA Security Inc., VeriSign, Inc., Baltimore Technologies plc and Entrust Technologies Inc.

Our business could be adversely affected by United States and foreign government regulation

The information security industry is governed by regulations that could have a material adverse effect on our business. The export of cryptographic equipment and software, including many of our products, is regulated by both the U.S. and Canadian governments. It is also possible that laws could be enacted covering issues such as user privacy, pricing, content and quality of products and services in these markets. Such regulations and laws could cause us to compromise our source code protection, minimize our intellectual property protection, negatively impact our plans for global expansion and consequently materially adversely affect our business, financial condition and operating results.

Risks Related to this Offering and Our Corporate Charter; Limitations on Dividends

Our management will have broad discretion in using the net proceeds from this offering

We intend to use the net proceeds, as determined by our management in its sole discretion, for the expansion of our sales and marketing activities, including additional sales personnel and potential new sales offices in Europe, Latin America and the Asia-Pacific region, development and enhancement of our products and services, for possible acquisitions of additional businesses and technologies that are complementary to our current or anticipated future business lines, and working capital and general corporate purposes. See ‘‘Use of Proceeds.’’ We have not determined the specific allocation of the net proceeds among the various uses described above and, accordingly, investors in this offering will rely upon the judgment of our management with respect to the use of proceeds. Our management may spend the net proceeds of this offering in ways with which you do not agree and in ways that may not yield a favourable return. Management’s failure to spend the proceeds effectively could have a material adverse affect on our business, financial condition and operating results.

Future sales of shares could substantially affect the price of our common shares

If our shareholders sell substantial amounts of our common shares in either the U.S. or Canadian public markets following this offering, the market price of our common shares could fall. Upon the completion of this offering, we will have outstanding approximately 30,505,309 common shares (assuming the over-allotment option is exercised in full and there is no exercise of our outstanding stock options, stock purchase rights or warrants). Additionally, we have reserved for issuance under our stock option and stock purchase plans and warrants, 12,530,000 common shares.

We have agreed not to sell any of our shares for a period of 90 days following the date of this prospectus, subject to certain exceptions. See ‘‘Plan of Distribution’’. The underwriters may permit the sale of these shares in their sole discretion at any time and without prior public announcement.

The anti-takeover effect of certain of our charter provisions could delay or prevent our being acquired

Our authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in one or more series. Although we currently do not have outstanding any preferred shares, our board of directors has the authority to issue preferred shares and determine the price, designation, rights, preferences, privileges, restrictions and conditions, including voting and dividend rights, of these shares without any further vote or action by shareholders. The rights of the holders of common shares will be subject to, and may be adversely affected by, the rights of holders of any preferred shares that may be issued in the future. The issuance of preferred shares, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, or the issuance of additional common shares could make it more difficult for a third party to acquire a majority of our outstanding voting shares. This could deprive our shareholders of a control premium that might otherwise be realized in connection with an acquisition of our company. See ‘‘Description of Share and Loan Capital Structure.’’

Our shareholder rights plan could delay or prevent our being acquired

We have adopted a shareholder rights plan. The provisions of this plan could make it more difficult for a third party to acquire a majority of our outstanding voting shares, the effect of which may be to deprive our shareholders of a control premium that might otherwise be realized in connection with an acquisition of our company.

We do not currently intend to pay any cash dividends on our common shares in the foreseeable future

We have never paid or declared any cash dividends on our common shares and we currently intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common shares in the foreseeable future. In addition, any dividends paid to residents of the United States would be subject to Canadian withholding tax, generally at the rate of 15%.

THE COMPANY

Overview

We are a leading provider of information security software and services, specializing in solutions for mobile e-business. Our products and services are specifically designed to address the challenges imposed by a wireless data environment. We offer solutions that incorporate our proprietary encryption technology and are based on industry standards for information security that utilize public key cryptography. We carry on business directly and indirectly through five subsidiaries, each of which is a direct or indirect, wholly-owned subsidiary of Certicom Corp.: Consensus Development Corporation, Uptronics Incorporated, Trustpoint and DRG Resources Group Inc., each of which is a California corporation, and Certicom Corp., a Delaware corporation.

Historically, we have focused on the development and marketing of cryptographic and information security protocol toolkits. We recently launched a line of authentication solutions including public key infrastructure, or PKI, PKI software and certificate authority, or CA, services. Our virtual private network, VPN, client software for handheld devices was launched for general availability in January, 2001. In addition, we provide consulting and systems integration services to assist our customers in designing and implementing efficient security solutions. Our OEM customers integrate our technologies into their hardware and software products, then sell the finished products to consumers or enterprise customers. We intend to supplement this distribution approach by marketing and selling our VPN software product directly to enterprise customers. Our products are currently licensed by more than 150 customers including ePocrates, Inc., Motorola, Inc., Palm, Inc., Pixo, Inc., QUALCOMM, Inc., Research In Motion Ltd. and Sony International (Europe) GmbH.

Our head office is located at 25801 Industrial Boulevard, Hayward, California, U.S.A. 94545 and our registered office is located at 204 Lambert Street, Suite 200, Whitehorse, Yukon Territory, Y1A 3T2.

Products and Services

We offer a comprehensive line of products and services that are designed for wireless data environments and are vertically integrated around a common cryptographic architecture. Our products are based on elliptic curve cryptography, or ECC, and are a proprietary, efficient alternative to conventional technologies. Our customers use our solutions to build increased security into their products and deliver reliable services for users of wireless devices.

Our products secure a variety of mobile e-business transactions and communications, including on-line banking and stock trading, retail e-commerce, electronic payments, e-mail and vertical applications for use in industries such as public safety and health care. We offer our customers:

- *a comprehensive, vertically integrated architecture.* Our current and announced products perform a number of security functions, including providing security for OEM applications, authenticating users and securing handheld devices with end user software. Our solutions share a common cryptographic architecture. We believe that the offering of these integrated products by a single vendor enables our customers to deploy quickly a wide range of mobile e-business data applications with reduced costs and increased functionality.

- *products and services designed for handheld devices and wireless data networks.* Wireless devices have limited processing power, memory, battery life and network bandwidth available to them. We specifically design our products to address these constraints, generally resulting in better performance and functionality. Additionally, our expertise in creating implementations for handheld architectures enables us to use standardized protocols which eases integration with existing infrastructures.

- *Patented and standardized ECC-based technology.* We believe our ECC-based solutions offer certain significant advantages over conventional cryptographic solutions for mobile e-business in many instances, including faster performance, lower costs and increased security.

Our products and services include:

- Cryptographic Security Toolkits;
- PKI Products;
- CA Services;

- Handheld VPN Client;
- Consulting and Design Services; and
- Hardware Components.

Cryptographic Security Toolkits

Our Security Builder® software development toolkit family includes our proprietary ECC-based technology, an implementation of the RSA algorithm and other cryptographic algorithms. These products enable customers to integrate a comprehensive selection of cryptographic components into their applications. The Security Builder® family of products is available for platforms such as Microsoft Windows, Sun Solaris, several versions of UNIX, Java, Microsoft Windows CE and the Palm OS® platform. We also offer integration services to port Security Builder® to other platforms.

Our SSL Plus™ software development toolkit family provides a comprehensive set of libraries that enable customers to add secure communications quickly and easily using the secure socket layer, or SSL, and transport layer security, or TLS, security protocols. The family includes SSL Plus™ 3.0, SSL Plus for Embedded Systems™ and SSL Plus™ for Java. SSL Plus for Embedded Systems™ is the first SSL toolkit that enables secure connections of handheld computers into enterprise data systems over both wired and wireless networks. The SSL Plus™ family of products is available for platforms such as Microsoft Windows, Sun Solaris, HP/UX, QNX RTOS, Java, Microsoft Windows CE and the Palm OS® platform. SSL Plus™ is built using the ANSI C language, and we provide services to port to other platforms on request.

Our WTLS Plus™ security protocol toolkit implements the wireless transport layer security, or WTLS, protocol for secure transport layer communication over wireless networks. WTLS is part of the wireless application protocol, or WAP, specification and delivers secure communications on mobile phones, pagers and personal digital assistants. WTLS Plus™ is available for platforms such as Microsoft Windows, Sun Solaris, Microsoft Windows CE and the Palm OS® platform.

PKI Products

Our Trustpoint® PKI product line is a comprehensive set of products and tools for PKI development and deployment. Trustpoint® PKI products can be used by our customers to build trust management solutions. Our Trustpoint® product line consists of certificate toolkits, a CA, a registration authority and an administrative console built to open industry standards for PKI interoperability, including X.509 and PKIX. These components operate on the Java platform and have been tested on Linux, Microsoft Windows and Sun Solaris.

CA Services

Our MobileTrust™ managed certificate services provide Internet-based trust services that assure the identity of data servers in mobile e-business solutions. MobileTrust™ issues X.509 certificates, which are compatible with industry-standard cryptographic security protocols and are supported by our entire line of products, and WTLS certificates for use with WAP WTLS protocol. MobileTrust™ currently supports ECC and RSA. The MobileTrust™ CA service operates in a secure data centre to provide reliability and protection against external threats. We plan to offer MobileTrust™ certificate services to authenticate mobile users.

Handheld VPN Client

Our handheld VPN client, movianVPN™, enables a private communication link over public networks between a handheld device and most VPN servers. movianVPN™ enables companies to extend critical enterprise applications such as e-mail and customer resource management tools to mobile professionals using Palm OS® 3.5 or Windows CE 3.0-based devices while leveraging their existing VPN infrastructures. The client follows the Internet Protocol Security (IPSec) standard to allow widespread interoperability with leading VPN server products. Additionally, the VPN client supports multiple encryption algorithms to interoperate with legacy VPN systems, yet enables higher performance when communicating with systems that support ECC.

Consulting and Design Services

Our experts in cryptography and information security provide a comprehensive range of consulting and design services to help customers complete their products faster and with higher levels of confidence in their security. We offer the following services:

- *Security Design and Integration.* We offer design and development support to help our customers minimize time-to-market and maximize performance and efficiency of security applications.
- *Product Review and Evaluation.* We provide confidential reviews of our clients' products to assist them in creating practical security solutions. Our reviews include detailed technical evaluations, architectural overviews and business plan viability analysis.
- *Enterprise and Information Security Reviews.* We assist in identifying threats and evaluating networks and computer security risks, and we recommend solutions for potential security breaches. Typically, we perform risk analysis, physical site reviews, network security reviews, security architecture design, disaster recovery planning, security policies and product review and recommendations as part of the services.
- *Cryptographic Design and Review.* We have expertise in efficient cryptographic security implementations. We help our customers design and review custom cryptographic solutions for security in demanding environments. Customers typically use our services in wireless handheld devices, server- and client-based applications and network security systems.
- *Security and Cryptographic Training.* We offer our customers training courses that cover a broad range of cryptographic and digital information security topics. These courses are tailored to help our customers make informed decisions concerning technical designs and new product and service opportunities.
- *Public-Key Infrastructure Solutions.* We help our customers evaluate PKI products and define PKI system architectures. Our consultants have created solutions for our customers that we believe meet the demands of new and challenging environments.

Hardware Components

We offer several hardware components that are manufactured by others to our specifications. These products, which include our smart card product line and Certilock™ security module, provide secure processing and storage for cryptographic keys based on ECC-based technology. We believe our smart card product line addresses the need for low-cost, high-strength user identification and authentication services in a form factor similar to a credit card. Our Certilock™ security module provides a secure, hardware-based execution environment in a PCI card for use in secure application servers and certificate authorities.

Sales and Marketing

OEM Sales

We sell our cryptographic products and services directly to OEM customers through dedicated technical sales representatives. We focus our efforts on market leaders in the sectors in which the advantages of our technology are most compelling.

We have a sales presence in the United States, Canada, the United Kingdom, Singapore and Finland. We assign our sales representatives account responsibilities based on market sector, enabling the team and its members to apply and further develop market sector expertise. A sales director leads each sector team, which includes a business development manager, sales specialists and field application engineers.

We intend to continue to expand our sales and business development presence into Europe, Latin America and the Asia-Pacific region. As the market for our technology matures, we anticipate complementing our direct sales force with indirect channels to increase our sales presence worldwide.

Enterprise Sales

Currently, we are developing direct relationships with enterprises through which to sell our authentication and client software offerings. End users can contact us through our website to purchase MobileTrust™ certificates. For movianVPN™, we offer a combination of third party bundling, inbound telesales and a retail e-commerce website. We anticipate building a team of corporate account representatives to negotiate final site licenses with global 1,000 companies.

Corporate Marketing

We maintain marketing programs aimed at increasing awareness of Certicom, our technology and the need for security solutions in general. We generate demand for our products from OEMs and global enterprises by exhibiting and speaking worldwide at industry conferences, trade shows, seminars and consortium meetings. We use a combination of white papers, case studies, data sheets, product demonstrations and on-line tutorials to educate our current and potential customers about public key cryptography and information security as it applies to their specific business opportunities.

Brand Awareness

We provide our *certicom encryption*™ brand logo, a diamond containing the words ''certicom encryption,'' for use by our licensees in their product packaging to indicate the inclusion of our technology in their products. We also provide variations of our logo for use in the smaller screen sizes of handheld devices and other systems. Our logo is regularly featured in our advertisements, trade show graphics, product packaging and other promotional efforts.

Standards Marketing and Education

We maintain an active commitment to open standards in the cryptography industry and participate in setting standards that pertain to various aspects of our technology. Our success in marketing our security products and services is partially dependent on the acceptance of our technology by standards organizations. In many cases, the memberships of standards committees include representatives from our most important customers.

We are active in many important industry standards bodies, including the Institute of Electrical and Electronics Engineers, Inc., or IEEE; the American National Standards Institute, or ANSI; the International Organization for Standardization, or ISO; the Internet Engineering Task Force, or IETF; and the Wireless Application Protocol Forum, or WAP Forum. We have formed our own standards group, the Standards for Efficient Cryptography Group, or SECG, to promote ECC interoperability among the major companies planning to ship ECC-based products.

Confidence in the strength of cryptographic algorithms is essential to the expansion of their use. We have engaged in extensive educational activities to explain the mathematical basis underlying elliptic curve cryptosystems. These educational initiatives have been directed towards not only customers but also the ultimate end users of our products, including banks, credit card associations and governments.

Research and Development

We are engaged in advanced cryptographic research involving computational algorithms and integrated circuit architectures for cryptographic processing. Dr. Scott Vanstone, our Chief Cryptographer, leads our efforts in this area. Dr. Vanstone is also a professor of Mathematics at St. Jerome's University and the University of Waterloo, Canada's leading centre for cryptographic research, and has published numerous books and articles on cryptography. He is an Executive Director for the Centre for Applied Cryptographic Research, the holder of the NSERC/Pitney Bowes Industrial Research Chair in Cryptography at the University of Waterloo and a Fellow, Royal Society of Canada, Academy of Science. We maintain a long-standing relationship with the University of Waterloo, where we co-sponsor the NSERC/Certicom Industrial Research Chair in Cryptography. We also sponsor research at Stanford University.

On January 31, 2001, we employed 11 cryptographers who are involved in pure research and applied cryptographic development. We also retain several leading cryptographic researchers at academic institutions as paid consultants. We present at a number of cryptography conferences and hold workshops on ECC both in the U.S. and abroad.

In addition to our core expertise in applied cryptographic research, we emphasize the development of software toolkits that package core technology innovations and standard security protocols into easy-to-use products targeted at the development community. We have expertise in the development of integrated circuit designs that integrate our ECC implementations directly into hardware solutions.

Intellectual Property

We rely on combinations of proprietary technologies, trade secrets, patent protection and copyright protection in the conduct of our business. To date, our cryptographic research has resulted in 16 patents granted in the United States, with corresponding applications either pending or granted in other jurisdictions. Our research has also led to our filing numerous patent applications over the past five years. As of March 5, 2001, in addition to our granted patents, we have approximately 40 inventions for which applications are pending, each of which is filed in one or more jurisdictions. All our patent applications are filed in the United States and Canada, and a substantial portion are filed in Europe and Japan as well. We have filed patent applications in countries which we believe to be significant markets. We also rely on certain trade secret aspects of our products and services to provide a commercially prudent level of protection to our proprietary technology, both in markets in which we have filed patent applications and those in which we have not.

A majority of our patents and pending patent applications are pertinent to implementations of ECC, while some of them also relate to techniques used with other public key cryptosystems. We believe that our existing patents, together with our pending patent applications, cover particularly advantageous methods of implementing ECC. We have licensed and may in the future license our patents to OEM customers.

We also engage in joint development work which has resulted in the filing of additional patent applications. As a result of joint development efforts, we jointly own two additional patents with Motorola, Inc. and have filed several additional applications for patents which, if granted, would be jointly owned with Pitney Bowes Inc.

Competition

We believe that the important factors in choosing security solutions for use in the wireless market are proven technology, vendor reputation, algorithm efficiency, and a focus on the specific requirements of a comprehensive wireless security infrastructure. We believe that our products currently compete favourably with those of our competitors, but there can be no assurance that we can maintain our competitive position against current and future competitors. We face competition from vendors offering a wide range of security products and services, including the following:

Cryptographic Security Toolkits

Our primary competitor in this market is RSA Security Inc. RSA Security offers a comprehensive product line that competes directly with our cryptographic security toolkits. There are a number of other companies worldwide which offer commercial protocol products. In addition, competition may come from solutions developed in-house, or by companies which attempt to create their own encryption implementations without licensing commercial toolkits. Furthermore, OpenSSL, a royalty-free source-code implementation, and other free cryptographic toolkits are used by some companies.

PKI Products

Competition in this segment is increasing as traditional PKI companies such as Entrust Technologies Inc. and Baltimore Technologies plc move into the mobile and wireless market. RSA Security and Diversinet Corp. also participate in this segment. In Europe and Asia, some specialty vendors are emerging, such as Sonera SmartTrust Ltd., which develop and sell PKI products for mobile phones.

CA Services

Competition in this segment comes from companies such as VeriSign, Inc. Entrust Technologies and Baltimore Technologies. These companies offer CA products and services for issuing and managing digital certificates for use on public and private networks. Although traditionally desktop focused, they have begun to modify their products and services to make their products more attractive to the mobile and wireless market.

Handheld VPN Client

We currently do not have any direct competition for our standards-based handheld VPN client, movianVPN™, although Check Point Technologies Ltd., Cisco Systems, Inc., Nortel Networks Corporation and other companies have VPN products for use on server, desktop and laptop platforms. We currently expect these companies to be our distribution partners. However, they often distribute laptop client software for free in order to sell their server-based products. Therefore, they may potentially become direct competitors of this product. We also expect that other direct competitors may arise in this market.

Regulatory Matters

Our products are subject to export, import and/or use restrictions imposed by the governments of the United States, Canada and other countries. Therefore, our ability to export and re-export our products from the United States and Canada to other countries is subject to a variety of government approvals or licensing requirements that could potentially have a material adverse effect on our business, financial condition and operating results.

In general, our products can be transferred between and used in the United States and Canada without licenses or other approvals. In other countries, the trends regarding export, import and use restrictions may vary. Given that the laws, regulations and requirements governing the export, import and use of encryption products change frequently and without advance notice, we cannot predict their ultimate impact on our activities.

Employees

As of January 31, 2001, we had approximately 374 full-time, part-time and contract employees: approximately 138 in cryptographic research and engineering, approximately 111 in sales and marketing, approximately 50 in consulting and systems integration services, and approximately 75 in finance and administration. None of our employees is represented by a labour union or is subject to a collective bargaining agreement. We consider our relationship with our employees to be good.

Facilities

We maintain our U.S. corporate offices and worldwide sales and marketing, finance, custom design and systems integration and administration operations at leased premises totalling approximately 111,000 square feet at 25801 and 25821 Industrial Boulevard in Hayward, California. This lease expires in April, 2007. We have a lease for approximately 30,300 square feet of office space at 5520 Explorer Drive in Mississauga, Ontario, which expires on December 14, 2009. Currently, our Canadian corporate offices, customer support, cryptographic research, engineering and custom design and systems integration functions occupy this space. We recently signed a ten-year lease for approximately seven acres located at 1980 Matheson Boulevard East, Mississauga, Ontario upon which a facility of approximately 130,000 square feet is being constructed by the landlord at our expense. If the landlord intends to sell the leased premises, we have a right of first refusal for this property on terms to be negotiated and an option to purchase approximately six acres of adjoining property. We hope to sublease our current Canadian office space, although there can be no assurance that we will be able to do so, and to relocate our Canadian operations to the new facility in the fall of 2001. The net rental fee for the new lease is $7.16 per square foot for the first two years of the lease; $7.75 for the third, fourth and fifth years of the lease, and $8.61 for the remainder of the lease. We will begin paying rent on this lease in May 2001. We currently anticipate facilities construction costs will be approximately $10 million. We also have a lease for approximately 6,000 square feet of office space in Herndon, Virginia at 1175 Herndon Parkway, Herndon, Virginia that will expire on October 31, 2007. We occasionally execute month-to-month leases for short-term office space. We currently a lease approximately 980 square feet of office space in Laguna Hills, California on a month-to-month basis and we propose to move this office to a new location in June 2001. We also have a lease for approximately 540 square feet in London, England. The total annual rent for all facilities (other than the newly-leased property in Mississauga) is $2.0 million.

Legal Proceedings

We are currently not subject to any material litigation. We have received a letter on behalf of Carnegie Mellon University asserting that it owns the trademark ‘‘CERT’’, and that it believes that our use of the stock symbol ‘‘CERT’’ will cause confusion with and/or dilute its purported trademark. Although we intend to defend our use of the stock symbol ‘‘CERT’’ vigorously, there can be no assurance that we will be successful in doing so, or that this dispute with the University will not have a material adverse impact on us.

We have also received a letter on behalf of Geoworks Corporation asserting that it holds a patent on certain aspects of technology which are part of the WAP standard. Our WTLS Plus™ toolkit may be used to implement WAP-compliant technology. After an internal investigation based upon the description provided by Geoworks of their purportedly patented technology, it is our belief that our toolkits do not include implementations of the Geoworks technology. We have also become aware of a letter circulated on behalf of a Mr. Bruce Dickens asserting that he holds a patent on certain aspects of technology which are implemented within certain aspects of the SSL standard. After an internal investigation, it is our belief that we do not implement any validly patented technology. We recently received a letter on behalf of eSignX Corporation drawing our attention to a patent which it purports to hold on certain aspects of technology related to the use of WAP enabled portable electronic authorization devices for approving transactions. The letter states that, based upon a review of a press release announcing our Trustpoint PKI product, that product may be covered by eSignX’s patent. We are currently conducting an internal investigation to determine whether our products include implementations of eSignX’s technology. Although we intend to vigorously defend any litigation that may arise in connection with these matters, there can be no assurance that we will be successful in doing so, or that such disputes will not have a material adverse impact on us.

In addition, we recently became aware of a lawsuit commenced by Mr. Leon Stambler against one of our customers and certain other parties asserting that Mr. Stambler holds patents on certain aspects of technology related to online transactions. Although we have not been named in this legal action, under the terms of the license agreement we have entered into with this customer, we have agreed to defend our customer against any claim that our licensed product, when used within the scope of the license agreement, infringes any U.S. or Canadian patent and to indemnify the customer in certain circumstances for related costs and expenses it incurs as a result of such a claim. We had previously reviewed the Stambler patents and prepared documentation indicating a possible prior use of the subject matter purportedly claimed in the referenced patents. We are currently investigating the scope of protection afforded by the claims detailed in the complaint and the effect, if any, of these claims on the products supplied by Certicom. There can be no assurance that such asserted patent will not have a material adverse impact on us.

Acquisitions

On January 26, 2000, we acquired all the outstanding shares of common stock of Trustpoint of Mountain View, California, a developer of public-key infrastructure, or PKI, products. OEMs use PKI products to develop applications with the digital certificate service built-in. The principal benefit to us of this acquisition was that we acquired Trustpoint’s software and hired Trustpoint’s four employees. The acquisition was completed with the issuance of 201,120 of our common shares. We also converted outstanding stock options of Trustpoint into options to acquire 98,884 of our common shares. The total consideration for the acquisition was approximately U.S.$10.5 million. On September 12, 2000, we acquired all of the outstanding common shares of DRG Resources Group, Inc., a corporation based in Redwood City, California. DRG Resources Group is an e-commerce security consulting company. Prior to our acquisition of DRG Resources Group, Inc., Digital Resources Group, LLC merged into DRG Resources Group, Inc. At the time these two companies merged, Digital Resources Group LLC transferred U.S.$100,000 in assets into DRG Resources Group, Inc. Prior to the merger of Digital Resources Group, LLC and DRG Resources Group, all other assets and liabilities of Digital Resource Group LLC were distributed to its members. The acquisition was completed with the issuance of 397,595 of our common shares. In connection with the acquisition, we also assumed stock options exercisable to acquire a total of 103,100 of our common shares. These acquisitions were accounted for by the purchase method and the results of operations were included in our consolidated statements of operations from the dates of acquisition.

RECENT DEVELOPMENTS

In January 2001, we entered into a non-binding term sheet with respect to the possible acquisition by us of all of the outstanding shares of a European-based company engaged in the provision of information security software and services. Completion of this transaction is conditional upon, among other things, satisfactory completion of due diligence investigations and the parties entering into mutually acceptable definitive documentation. We currently anticipate that we would satisfy the purchase price for this acquisition through the issuance of our common shares. We cannot assure you that this acquisition will be completed. See ‘‘Risk Factors.’’

Since January 1, 2001, Philip C. Deck resigned as Chairman and a member of our board of directors in order to pursue other business interests and Erling Rasmussen resigned as a director of our company. On February 27, 2001, Robert Weiderholt was appointed as a director of our Company.

USE OF PROCEEDS

The net proceeds to be received by us from the offering, after deducting underwriting commissions and the estimated expenses payable by us, are estimated to be $41,562,500. We intend to use the net proceeds from this offering approximately as follows:

- $12.4 million for the expansion of our sales and marking activities, including hiring additional sales personnel and opening new sales offices in Europe, Latin America and the Asia-Pacific region;
- $8.3 million for the development and enhancement of our products and services;
- $6.2 million for capital expenditures;
- $2.0 million for possible acquisitions of additional businesses and technologies that are complementary to our current or anticipated future business lines; and
- $12.4 million for working capital and general corporate purposes.

Pending such uses, we expect to invest the net proceeds in short-term, interest-bearing, investment grade securities.

SHARE AND LOAN CAPITAL STRUCTURE

Our share capital consists of common shares and preference shares, each of which have an unlimited authorized number of shares available for issuance. As of March 8, 2001, 26,505,309 common shares were issued and outstanding. No preference shares are currently outstanding.

On July 12, 2000, we completed a 2-for-1 subdivision of our outstanding common shares. On October 19, 2000, our shareholders approved the subdivision of our common shares on a 2-for-1 or 3-for-2 basis, at the discretion of our board of directors on up to two occasions at any time prior to October 19, 2001.

Common Shares

Voting

Each common share entitles its holder to receive notice of and to attend all general and special meetings of our shareholders, other than meetings at which only the holders of a particular class or series are entitled to vote. Each common share entitles its holder to one vote.

Dividends

The holders of common shares are, at the discretion of the board of directors, entitled to receive out of any or all profits or surplus of our company properly available for the payment of dividends (after the payment of any dividend payable on our securities entitled to receive dividends in priority to the common shares), any dividends declared by the board of directors and payable by us on the common shares.

Dissolution

The holders of common shares are entitled to share rateably in any distribution of the assets of our company upon the liquidation, dissolution or winding-up of our company or other distribution of our assets among our shareholders for the purpose of winding-up our affairs.

Preference Shares

The preference shares are issuable in series. Subject to the our Articles, the board of directors is authorized to fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to the shares of each series.

The preference shares, where issued, will rank prior to the common shares with respect to dividends and return of capital on dissolution. Except with respect to matters as to which the holders of preference shares are entitled by law to vote as a class, the holders of preference shares are not entitled to vote at meetings of shareholders.

Shareholder Rights Plan

Our directors and shareholders have approved a shareholder rights plan. The terms of the shareholder rights plan are such that a take-over bid must be made for all of our common shares and must be open for 60 days after the bid is made. If at least 50% of the common shares held by persons independent of the bidder are deposited or tendered pursuant to the bid, and not withdrawn, the bidder may take up and pay for such shares. The bid must then remain open for a further period of 10 business days on the same terms.

In the event a take-over bid is made that does not adhere with the above terms, the rights attaching to each common share will separate from the common shares and become exercisable eight trading days after the earlier of: (a) a person having acquired 20% or more of the common shares, or (b) the commencement or announcement in respect of a take-over bid to acquire 20% or more of the common shares. Prior to this separation event, the rights are not transferable separately from the common shares. After separation, rights will be evidenced by rights certificates which are transferable and will be traded separately from the common shares.

The rights, when exercisable, permit the holder to purchase, for the exercise price, one common share for each right. The exercise price of the rights will be equal to 2.5 times the prevailing market price at the time the rights separated from the common shares. Rights that are beneficially owned by the person making the take-over bid which does not adhere to the above terms shall become null and void.

The term of the shareholder rights plan is ten years, subject to reconfirmation by shareholders at every third annual meeting of our shareholders. At our annual and special meeting of shareholders held on October 19, 2000, our shareholders reconfirmed the shareholders rights plan.

PLAN OF DISTRIBUTION

The following discussion describes the proposed distribution of our common shares in Canada.

Under an agreement dated March 9, 2001, or the Underwriting Agreement, between Yorkton Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., HSBC Securities (Canada) Inc. and TD Securities Inc., or the underwriters, and us, we have agreed to issue and sell 3,500,000 of our common shares and the underwriters have severally agreed to purchase, subject to the conditions set out in the Underwriting Agreement, on March 26, 2001, or such other date as may be agreed upon, all but not less than all of such common shares at the price of $12.50 per common share payable in cash to us against delivery of the certificates representing such common shares. The offering price of the common shares has been determined by negotiation between us and the underwriters. The Underwriting Agreement provides for the payment to the underwriters, for their services in connection with this Offering, of a fee in the amount of $0.625 per common share sold.

We have granted to the underwriters an option, or the over-allotment option, to purchase up to 500,000 additional common shares at the price of $12.50 per common share payable in cash to us against delivery of such additional common shares. The over-allotment option is exercisable from time to time in whole or in part for a period of 30 days from the closing date of the offering for the purpose of covering over-allotments, if any, and market stabilization purposes. If the over-allotment option is exercised, the underwriters will receive a fee of $0.625 per additional common share purchased pursuant to such option.

The obligations of the underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The underwriters are obligated, however, to take up and pay for all of the common shares offered by this prospectus if any are purchased under the Underwriting Agreement.

We have agreed that, during a period of 90 days from the closing date of this offering, we will not issue, or announce the issuance of any of our common shares or any securities convertible into or exchangeable for or exercisable to acquire our common shares without the prior written consent of the underwriters, other than, (i) pursuant to presently outstanding rights or agreements, including options, warrants and other convertible securities; or

(ii) options granted pursuant to any of our stock option plans or stock purchase plans as detailed in this prospectus and any of our common shares issued pursuant to the exercise of any options granted pursuant to such option or purchase plans; or (iii) subject to a limit of an aggregate number of our common shares equal to 10% of the number of our common shares outstanding immediately following the completion of this offering, in connection with the direct or indirect acquisition by us of the securities or assets of any other entity.

Pursuant to policy statements of the Commission des valeurs mobilières du Québec and the Ontario Securities Commission, the underwriters may not, throughout the period of distribution, bid for or purchase our common shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of our common shares. These exceptions include a bid or purchase permitted under the by-laws and rules of The Toronto Stock Exchange relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of the distribution. Subject to the foregoing, in connection with this offering, the underwriters may over-allot our common shares or effect transactions intended to stabilize or maintain the market price of our common shares at a higher level than that which might otherwise prevail in the open market. Such transactions may be commenced or discontinued at any time during the offering.

The common shares have not been registered under the United States Securities Act of 1933, as amended, or the ''1933 Act'', or any state securities laws and may not be offered or sold, directly or indirectly, in the United States without registration or the availability of an exemption therefrom. Each underwriter has agreed that, except as permitted by the Underwriting Agreement, it will not offer or sell the common shares as part of the distribution of common shares at any time within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the 1933 Act.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the common shares in the United States. In addition, until 40 days after the commencement of the offering of the common shares, an offer or sale of the common shares within the United States by any dealer, whether or not participating in the offering, may violate the registration requirements of the 1933 Act.

Pursuant to the Underwriting Agreement, we have agreed to indemnify the underwriters and each of their affiliates, directors, officers, employees and agents against certain liabilities.

LEGAL MATTERS

Certain legal matters relating to this offering will be reviewed on our behalf by McCarthy Tétrault, Toronto, Ontario, and on behalf of the Underwriters by Blake, Cassels & Graydon LLP, Toronto, Ontario. As at March ● , 2001 partners, associates and counsel of McCarthy Tétrault and Blake, Cassels & Graydon LLP beneficially owned, directly or indirectly, less than 1% of our outstanding common shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are KPMG LLP, San Francisco, California and Toronto, Ontario. Prior to August 23, 2000, our auditors were Deloitte & Touche LLP. The transfer agent and registrar for our common shares is Computershare Investor Services at its principal office in Toronto, Ontario and at the offices of its Co-Agent, American Securities Transfer & Trust, Inc., in Lakewood, Colorado.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

(a) our Annual Information Form dated July 31, 2000, which consists of the our Annual Report filed in Form 10-K for the fiscal year ended April 30, 2000 (excluding the sections entitled ''Item 6 – Selected Consolidated Financial Data'', ''Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations'', ''Item 8 – Financial Statements and Supplementary Data'', and ''Item 14 – Exhibits, Financial Statements Schedules, and Reports on Form 8-K'');

(b) our audited consolidated financial statements as at and for the years ended April 30, 2000 and 1999 (expressed in U.S. dollars and presented in accordance with Canadian generally accepted accounting principles (''Canadian GAAP'')) together with the auditors' report thereon;

(c) our unaudited interim financial statements as at and for the three month and six month periods ended July 31, 2000 and October 31, 2000, respectively (expressed in U.S. dollars and presented in accordance with Canadian GAAP);

(d) management's discussion and analysis of financial condition and results of operation for the year ended April 30, 2000 (expressed in U.S. dollars and presented in accordance with Canadian GAAP);

(e) our Management Proxy Circular dated September 14, 2000 (excluding the sections entitled ''Report on Executive Compensation'' and ''Performance Graph''); and

(f) our press release dated March 1, 2001 regarding our report on our fiscal third quarter 2001 results.

Any documents of the type referenced to above and any material change reports (excluding confidential material change reports), which we file with the various securities commissions or similar authorities in Canada after the date of this prospectus and prior to the termination of this offering, shall be deemed to be incorporated by reference into and form an integral part of this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or replaces that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault, counsel to us, and Blake, Cassels & Graydon LLP counsel to the Underwriters, such common shares, when listed on a prescribed stock exchange in Canada, will be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal advisor.

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INDEX TO FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS OF TRUSTPOINT – U.S. GAAP

INDEPENDENT AUDITORS' REPORT

To the Directors of
CERTICOM CORPORATION

We have audited the balance sheet of Trustpoint as at December 31, 1999 and the statements of operations, shareholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Significant differences between the accounting principles applied in the accompanying financial statements and accounting principles generally accepted in Canada are quantified and explained in Note 12 to the financial statements.

Toronto, Ontario	(Signed) DELOITTE & TOUCHE LLP
February 10, 2000	Chartered Accountants

TRUSTPOINT

BALANCE SHEET
December 31, 1999
(in thousands of U.S. dollars except share amounts)

	U.S. GAAP
Assets	
Current	
Cash	$173
Accounts receivable (net of allowance for doubtful accounts of $215)	354
Prepaid expenses	5
	532
Fixed assets, net (note 3)	29
	$561
Liabilities	
Current	
Accrued liabilities	$106
Due to shareholder (Note 4)	123
Deferred taxes (Note 5)	7
	236
Deferred taxes (note 5)	10
	246
Shareholder's equity	
Share capital (note 6)	
Authorized: 10,000,000 common shares	
Issued and outstanding: 3,000,000 common shares	7
Additional paid-in capital	389
Deficit	(81)
	315
	$561

Approved by the board

(Signed) RICHARD P. DALMAZZI
Director

(Signed) BERNARD W. CROTTY
Director

The accompanying notes are an integral part of these financial statements.

TRUSTPOINT

STATEMENT OF OPERATIONS

For the year ended December 31, 1999

(in thousands of U.S. dollars)

	U.S. GAAP
Revenue	$ 873
Expenses	
Selling, general and administrative	1,037
Depreciation	12
	1,049
Loss before income taxes	(176)
Income taxes (note 5)	21
Net loss	$(197)

The accompanying notes are an integral part of these financial statements.

TRUSTPOINT

STATEMENT OF SHAREHOLDER'S EQUITY

Year ended December 31, 1999
(in thousands of U.S. dollars except share amounts)

	U.S. GAAP			
	Common Shares		Additional	Retained
	Number	Amount	paid-in capital	earnings (deficit)
Balance at December 31, 1998	3,000,000	$ 7	$ —	$116
Stock compensation	—	—	389	—
Net loss	—	—	—	(197)
Balance at December 31, 1999	3,000,000	$ 7	$389	$ (81)

The accompanying notes are an integral part of these financial statements.

TRUSTPOINT

STATEMENT OF CASH FLOWS
For the year ended December 31, 1999
(in thousands of U.S. dollars)

	U.S. GAAP
Cash provided by (used for)	
Operating activities	
Net loss	$(197)
Items not affecting cash	
Depreciation	12
Stock compensation	389
Deferred taxes	17
	221
Net change in non-cash working capital items (Note 7)	(360)
	(139)
Investing activity	
Purchase of fixed assets	(14)
Financing activity	
Due to shareholder	(3)
Decrease in cash and cash equivalents	(156)
Cash and cash equivalents, beginning of year	329
Cash and cash equivalents, end of year	$ 173
Supplemental disclosure of cash flow information	
Income taxes paid	$ 4

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 1999
(Tabular amounts in thousands of U.S. dollars except per share data and share amounts)

U.S. GAAP

1. Description of business

Trustpoint (the ''Company'') was incorporated in May 1995 under the laws of the State of California. The Company is a provider of comprehensive, flexible, cross-platform public key infrastructure (PKI) products that allow original equipment manufacturers (OEMs) to develop applications with built-in digital certification services.

2. Significant accounting policies

Generally accepted accounting principles

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States. These financial statements have been prepared for inclusion in the securities filing of Certicom Corp. and, therefore, only disclose the current period financial statements, in accordance with regulatory requirements.

Foreign currency

The functional and reporting currency of the Company is U.S. dollars.

Cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with maturities of three months or less and subject to an insignificant risk of changes in value to be cash equivalents.

Revenue recognition

Consulting revenue is recognized as services are rendered.

Capital assets

Capital assets are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	— 3 years
Furniture and fixtures	— 5 years

Research and development

The Company expenses all research and development costs as they are incurred.

Stock-based compensation

The Company follows the provisions of APB Opinion No. 25, which requires compensation cost for stock-based employee compensation plans to be recognized based on the difference, if any, between the estimated market value of the stock and the amount an employee must pay to acquire the stock.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Income taxes

The Company follows the provisions of SFAS No. 109, ''Accounting for Income Taxes'' which requires an asset and liability approach to financial accounting for income taxes.

Comprehensive earnings

The Company has no material components of other comprehensive earnings. Accordingly, comprehensive earnings are the same as net earnings for all periods presented.

(Tabular amounts in thousands of U.S. dollars except per share data and share amounts)

Recent accounting pronouncements

In June 1998, the FASB issued SFAS No. 133, ''Accounting for Derivative Instruments and Hedging Activities'' (''SFAS 133''). SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. SFAS 133 requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The impact of adopting SFAS 133, which is effective for all fiscal quarters of fiscal years beginning after June 15, 2000, has not been determined.

3. Fixed assets

	Cost
Computer equipment	$ 50
Furniture and fixtures	6
	56
Accumulated depreciation	27
	$ 29

4. Due to shareholder

The amount due to shareholder is unsecured, non-interest bearing and has no fixed terms of repayment.

5. Income taxes

The components of the provision for income taxes are as follows:

Current income taxes	$ 4
Future income taxes	17
	$ 21

Significant components of the Company's deferred tax assets and liabilities at December 31, 1999 were as follows:

Deferred tax asset (liability) – current	
Accounts receivable	$(151)
Prepaid expenses	(1)
Accrued liabilities	84
Net operating loss carryforwards	61
	(7)
Deferred tax liability – non-current	
Capital assets	(10)
	$ (17)

A reconciliation between the statutory and effective income tax rate is as follows:

Statutory tax rate	34%
State income taxes	9
Benefit of net operating loss carryforwards	(29)
Benefit of stock compensation expense not recognized for tax	(22)
Other	(4)
Effective income tax rate	(12)%

6. Stock incentive plan

a) Employee Stock Option Plan

The Company's current stock option plan was adopted on December 9, 1998. Stock options granted under the Company's plan have an expiration period not exceeding five years. These options become exercisable at a rate of one quarter of the total granted on the first anniversary of the grant, and a further 2.0833% each month after such initial one year period. Not more than 1,500,000 common shares may be issued under the plan.

(Tabular amounts in thousands of U.S. dollars except per share data and share amounts)

The following table summarizes information about stock options outstanding at December 31, 1999:

Options Outstanding		
Exercise Price	**Number Outstanding at December 31, 1999**	**Weighted Average Remaining Contractual Life**
$0.05	975,000	4.05

Changes in the stock option plan during the year are as follows:

	Number	**Weighted Average Exercise Price**
Options outstanding, beginning of year	350,000	$0.05
Options granted	625,000	0.05
Options outstanding, end of year	975,000	$0.05
Options exercisable, end of period	87,500	$0.05

b) Accounting for Stock-Based Compensation

As a result of the Company applying APB No. 25, SFAS No. 123, ''Accounting for Stock-Based Compensation'' requires disclosure of compensation expense arising from the Company's stock compensation plans based on the fair value of the options granted. The expense is measured as the fair value of the award at the date it is granted using an option-pricing model that takes into account the exercise price and expected term of the option, the current price of the underlying stock, its expected volatility, expected dividends on the stock and the expected risk-free rate of return during the term of the option. The compensation cost is recognized over the service period, usually the period from the grant date to the vesting date. Had the compensation cost for the Company's plan been determined based on the fair value at the dates of award under the plan consistent with the method of SFAS No. 123, the Company's net loss would have been increased to the pro forma amount indicated below:

Net loss	
As reported	$(197)
Pro forma	(202)

The fair value of the options at the date of grant was estimated using the minimum value method with the following weighted average assumptions:

Expected life (years)	4
Risk-free interest rate	4.68%
Dividend yield	—

During the year ended December 31, 1999 certain option grants were made at a price lower than fair value. The excess of fair value over the exercise price is being amortized over the vesting period of the related options.

7. Net changes in non-cash working capital items

Accounts receivable	$(254)
Prepaid expenses	(5)
Accrued liabilities	82
Deferred revenue	(183)
	$(360)

8. Commitments

Minimum future annual rental commitments under non-cancellable operating leases as at December 31, 1999 are as follows:

2000	$3
Thereafter	—
	$3

Rent expense for 1999 was $18,000.

9. Segment information

Management has determined that the Company operates in one business and one geographic segment.

10. Financial instruments

Fair value of financial instruments

The fair value of financial assets and liabilities approximates their carrying value.

Concentration of credit risk

At December 31, 1999, accounts receivable from one customer comprised 100% of the total balance; $354,000 has been collected subsequent to December 31, 1999.

11. Subsequent event

On January 26, 2000, Certicom Corp. acquired all of the outstanding common shares of the Company.

12. Canadian accounting principles

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which conform in all material respects applicable to the Company with those in Canada except with respect to stock compensation. Under Canadian GAAP, there is no requirement to record compensation on the issue of stock options to employees, consultants or directors. Under U.S. GAAP, compensation would be accrued at the date of granting of the options calculated as the excess of the fair market value over the exercise price at the date of the grant. This amount accrues over the periods of required service. Accordingly, under Canadian GAAP the Company would report a net income of approximately $192,000.

AUDITED FINANCIAL STATEMENTS OF DIGITAL RESOURCES GROUP, LLC – U.S. GAAP

INDEPENDENT AUDITORS' REPORT

The Members
DIGITAL RESOURCES GROUP, LLC:

We have audited the accompanying balance sheet of Digital Resources Group, LLC (a Limited Liability Company) as of July 31, 2000, and the related statements of operations, members' capital, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Digital Resources Group, LLC as of July 31, 2000, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

San Francisco, California
October 20, 2000

(Signed) KPMG LLP

DIGITAL RESOURCES GROUP, LLC

BALANCE SHEET

July 31, 2000

(In thousands of U.S. dollars)

	U.S. GAAP
Assets	
Current:	
Cash and cash equivalents	$444
Accounts receivable (net of allowance for doubtful amounts of $23)	522
Prepaid expenses	1
	967
Fixed assets, net	9
	$976
Liabilities and Members' Capital	
Current:	
Accrued liabilities	$198
Payable to members	423
Members' capital	355
Total liabilities and members' capital	$976

Approved by the board

(Signed) RICHARD D. BROUNSTEIN
Director

(Signed) RICHARD M. DEPEW
Director

See accompanying notes to financial statements

DIGITAL RESOURCES GROUP, LLC

STATEMENT OF OPERATIONS
year ended July 31, 2000
(In thousands of U.S. dollars)

	U.S. GAAP
Revenue	$2,213
Cost of Service	1,826
Gross Profit	$ 387
Expenses:	
Selling, general and administrative	$ 131
Net income from operations	$ 256
Interest income	2
Net income	$ 258

See accompanying notes to financial statements.

DIGITAL RESOURCES GROUP, LLC

STATEMENT OF CHANGES IN MEMBERS' CAPITAL

year ended July 31, 2000

(In thousands of U.S. dollars)

	U.S. GAAP
Balance at July 31, 1999	$ 82
Members' contributions of cash and notes	35
Due from member	(20)
Net income	258
Balance at July 31, 2000	$355

See accompanying notes to financial statements.

DIGITAL RESOURCES GROUP, LLC

STATEMENT OF CASH FLOWS
year ended July 31, 2000
(In thousands of U.S. dollars)

	U.S. GAAP
Operating activities	
Net Income	$258
Adjustments to reconcile to net cash provided by operating activities:	
Depreciation	(1)
Increase in accounts receivable	(390)
Increase in prepaid expenses	(1)
Increase in accrued liabilities	120
Increase in payable to members	350
Net cash provided by operating activities	336
Investing activities	
Purchase of fixed assets	(6)
Net cash used in investing activities	(6)
Financing activities	
Members' contributions	15
Net cash provided by financing activities	15
Increase in cash and cash equivalents	345
Cash and cash equivalents, beginning of year	99
Cash and cash equivalents, end of year	$444

See accompanying notes to financial statements.

DIGITAL RESOURCES GROUP, LLC

NOTES TO FINANCIAL STATEMENTS

July 31, 2000
(in thousands of U.S. dollars)

U.S. GAAP

1. Description of Business

Digital Resources Group, LLC (the ''Company''), a California Limited Liability Company, was registered in May 1998. The Company is a professional consulting organization specializing in the area of security for the Internet. The Company was scheduled to terminate on December 31, 2008.

The Company does not have any employees. The consulting force is comprised of the three owner members of the Company and a number of outside consultants. All consultants are independent contractors. All members and consultants perform services for the Company's clients and then bill the Company for their time and expense. As a result, there are no amounts reflected in these financial statements for salaries or payroll tax expense. In addition, there are no lease commitments as all consultants work from the client locations or their own facilities.

The liability of the members is limited in accordance with the applicable laws of the State of California.

2. Significant Accounting Policies

Generally accepted accounting principles

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States. These financial statements have been prepared for inclusion in the securities filing of Certicom Corp. and, therefore, only disclose the current period financial statements, in accordance with regulatory requirements.

Foreign currency

The functional and reporting currency of the Company is U.S. dollars.

Cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Revenue recognition

Consulting revenue is recognized as services are rendered. Consultants and members submit invoices to the Company detailing the project, hours, rate per hour and expense with copies of receipts. These invoices are recorded in the period in which the services are performed and then billed to the customer. The majority of contracts with customers are billed on a time and materials basis. There were no significant fixed-price contracts at July 31, 2000.

Fixed assets

Fixed assets which consist of computer equipment are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful life of three years.

Income taxes

No provision has been made in these financial statements for income taxes as income taxes are the responsibility of the individual members.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. Fixed Assets (in thousands of U.S. dollars)

Fixed assets consists of the following:

	Cost
Computer equipment	$15
Accumulated depreciation	(6)
	$ 9

4. Due from Member

The amount due from member was paid in full during August 2000.

5. Allocation of Income and Loss

Income and loss are allocated among the members on a project-by-project basis in accordance with certain percentages agreed to by the members.

6. Related Parties

During the year ended July 31, 2000, the members charged to the Company $856 for consulting services rendered and the Company paid $508 to the members.

7. Financial Instruments

Concentration of credit risk

As of July 31, 2000, two customers accounted for approximately 48% and 17% respectively of accounts receivable. These two customers accounted for approximately 48%, and 12% respectively of current year revenues.

8. Subsequent Event

On September 12, 2000, all of the outstanding stock of the Company was acquired by Certicom Corp. in exchange for 397,595 Certicom common shares (valued at approximately U.S. $15,500 based on the closing price of Certicom common shares on September 12, 2000) and stock options exercisable to acquire a total of 103,100 Certicom common shares.

Prior to the acquisition of the Company, the Company converted from a limited liability company (LLC) to a corporation and changed its name to DRG Resources Group, Inc. Certicom purchased the corporation.

At July 31, 2000, Certicom owed the Company $79. Revenue from Certicom for the year ended July 31, 2000 totalled $179.

9. Material Differences between Generally Accepted Accounting Principles in the United States and Canada

The financial statements have been prepared in accordance with generally accepted accounting principles as applied in the United States. The financial statements also conform, in all material respects, with Canadian generally accepted accounting principles.

COMPILATION REPORT

To the Directors of
CERTICOM CORP.

We have reviewed, as to compilation only, the accompanying pro forma condensed consolidated statements of operations of Certicom Corp. for the year ended April 30, 2000 and the six months ended October 31, 2000 which have been prepared in accordance with accounting principles generally accepted in Canada. The pro forma financial statements have been prepared for inclusion in the short form prospectus. In our opinion, the pro forma condensed consolidated statements of operations have been properly compiled to give effect to the transactions and the assumptions described in the notes thereto.

Toronto, Canada	(Signed) KPMG LLP
March 6, 2001	Chartered Accountants

COMMENT FOR UNITED STATES READERS ON DIFFERENCES BETWEEN CANADIAN AND UNITED STATES REPORTING STANDARDS

The above opinion, provided solely pursuant to Canadian requirements, is expressed in accordance with standards of reporting generally accepted in Canada. Such standards contemplate the expression of an opinion with respect to the compilation of pro forma financial statements. United States standards do not provide for the expression of an opinion on the compilation of pro forma statements. To report in conformity with United States standards on the reasonableness of the pro forma adjustments and their application to the pro forma condensed consolidated statements of operations would require an examination or review which would be substantially greater in scope than the review as to compilation only that we have conducted. Consequently, under United States standards, we would be unable to express any opinion with respect to the compilation of the accompanying pro forma condensed consolidated statements of operations.

Toronto, Canada	(Signed) KPMG LLP
March 6, 2001	Chartered Accountants

CERTICOM CORP.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

Year ended April 30, 2000
(In thousands of U.S. dollars, except share data)

CDN GAAP

	Certicom Corp. Year ended April 30, 2000	Trustpoint Nine months ended December 31, 1999	DRG Resources Group Year ended July 31, 2000	Pro Forma Adjustments		Pro Forma Combined
Revenues	$ 12,040	$724	$2,213	$ (179)	3(a)	$ 14,798
Costs and expenses:						
Selling and marketing	6,616	—	—	—		6,616
Research and development	4,422	—	—	(179)	3(b)	4,243
Depreciation and amortization	15,706	9	1	3,621	3(c)	19,337
General and administrative	6,781	524	130	—		7,435
Deferred compensation amortization	—	—	—	5,161	3(d)	5,161
Consulting and systems integration	2,080	—	1,826	162	3(e)	4,068
Cost of hardware sold	579	—	—	—		579
	36,184	533	1,957	8,765		47,439
Operating income (loss)	(24,144)	191	256	(8,944)		(32,641)
Interest income, net	(359)	—	2	—		(357)
Income (loss) before income taxes	(24,503)	191	258	(8,944)		(32,998)
Income taxes	334	30	—	—		364
Net income (loss)	$ (24,837)	$161	$ 258	$ (8,944)		$ (33,362)
Basic and diluted net loss per share	$ (1.12)					$ (1.47)
Shares used in computing basic and diluted net loss per share	22,255,044			375,526	3(f)	22,630,570

See accompanying notes to unaudited pro forma condensed consolidated statements of operations.

CERTICOM CORP.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

Six months ended October 31, 2000

(In thousands of U.S. dollars, except share data)

CDN GAAP

	Certicom Corp. Six Months Ended October 31, 2000	DRG Resources Group Period From May 1, 2000 to September 12, 2000	Pro Forma Adjustments		Pro Forma Combined
Revenues	$ 11,354	$1,293	$ (214)	3(a)	$ 12,433
Costs and expenses:					
Selling and marketing	7,479	—	—		7,479
Research and development	5,448	—	(214)	3(b)	5,234
Depreciation and amortization	6,350	1	706	3(g)	7,057
General and administrative	5,071	102	—		5,173
Deferred compensation amortization	860	—	1,720	3(h)	2,580
Consulting and systems integration	2,500	986	97	3(e)	3,583
Cost of hardware sold	455	—	—		455
	28,163	1,089	2,309		31,561
Operating income (loss)	(16,809)	204	(2,523)		(19,128)
Interest income, net	1,362	2	—		1,364
Income (loss) before income taxes	(15,447)	206	(2,523)		(17,764)
Income taxes	135	—	—		135
Net income (loss)	$ (15,582)	$ 206	$ (2,523)		$ (17,899)
Basic and diluted net loss per share	$ (0.60)				$ (0.69)
Shares used in computing basic and diluted net loss per share	25,770,125		149,076	3(i)	25,919,201

See accompanying notes to unaudited pro forma condensed consolidated statements of operations.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of U.S. dollars, except share data)

CDN GAAP

1. Basis of Presentation

The unaudited pro forma condensed consolidated statements of operations for the year ended April 30, 2000 and the six months ended October 31, 2000 have been prepared by Management in accordance with accounting principles generally accepted in Canada (''Canadian GAAP'' or ''CDN GAAP'') to reflect the acquisition by Certicom Corp. (''the Corporation'' or ''Certicom'') of all of the outstanding common shares of Trustpoint (''Trustpoint''), effective January 26, 2000 and all of the outstanding common shares of DRG Resources Group, Inc. (''DRG Resources Group''), formerly Digital Resources Group, LLC, effective September 12, 2000. The acquisitions have been accounted for using the purchase method. The unaudited pro forma condensed consolidated statement of operations for the year ended April 30, 2000 gives effect to the acquisitions of Trustpoint and DRG Resources Group as if they had occurred on May 1, 1999. The unaudited pro forma condensed consolidated statement of operations for the six months ended October 31, 2000 gives effect to the acquisition of DRG Resources Group as if it had occurred on May 1, 1999.

The financial information has been derived from the following financial statements:

For the year ended April 30, 2000

(a) The consolidated financial statements of the Corporation for the year ended April 30, 2000.

(b) The unaudited interim statement of operations of Trustpoint for the nine-month period ended December 31, 1999. The results of operations of Trustpoint for the period subsequent to January 26, 2000 are included in the results of operations of Certicom for the year ended April 30, 2000. Therefore, only nine months of operations are being added for the purpose of pro forma condensed consolidated statement of operations for the year ended April 30, 2000.

(c) The audited statement of operations of DRG for the year ended July 31, 2000.

For the six months ended October 31, 2000:

(a) The unaudited interim statement of operations of the Corporation for the six months ended October 31, 2000.

(b) The unaudited interim statement of operations of DRG Resources Group for the four months and 12 days ended September 12, 2000. The results of operations of DRG Resources Group for the period subsequent to September 12, 2000 are included in the results of operations of Certicom for the six months ended October 31, 2000. Therefore, only four months and 12 days of operations are being added for the purpose of the pro forma condensed consolidated statement of operations for the six months ended October 31, 2000.

The pro forma condensed consolidated statements of operations, including the notes thereto, should be read in conjunction with the financial statements referred to above prepared in U.S. dollars. The pro forma condensed consolidated statements of operations may not be indicative either of the results that would have actually occurred if the business combinations had taken place on the dates indicated, or the results which may be achieved in the future.

2. Description of Transactions

Acquisition of Trustpoint

On January 26, 2000, the Corporation acquired all of the outstanding common shares of Trustpoint, a corporation based in Mountain View, California. Trustpoint is a provider of comprehensive, flexible, cross-platform public key infrastructure (PKI) products that allow OEM's to develop applications with built in digital certificate services. Details of the consideration and the fair values of the net assets acquired are as follows:

Net assets acquired	
Non-cash working capital (net of cash of $302)	$ (34)
Capital assets	29
Other acquired intangibles	878
Goodwill	9,633
	$10,506
Consideration	
Common shares (201,120 shares issued)	$ 7,306
Options to acquire 98,884 common shares	3,080
Acquisition costs	120
	$10,506

Acquisition of DRG Resources Group

On September 12, 2000, the Corporation acquired all of the outstanding common shares of DRG Resources Group, a corporation based in Redwood City, California. DRG Resources Group is a professional consulting organization specializing in security for the Internet. Prior to the acquisition, Digital Resources Group, LLC merged into DRG Resources Group, Inc. At the time these two companies merged, Digital Resources Group LLC transferred $100 in assets into the new corporation. The remaining assets and liabilities remained with the members of

(in thousands of U.S. dollars, except share data)

Digital Resources Group, LLC. Certicom purchased the new corporation. Details of the consideration and the fair values of the net assets acquired are as follows:

Net assets acquired	
Current assets (net equity per agreement)	$ 100
Other acquired intangibles	634
Goodwill	9,529
Deferred compensation expense	7,741
	$18,004
Consideration	
Common shares (397,595 shares issued)	$15,482
Options to acquire 103,100 common shares	2,322
Acquisition costs	200
	$18,004

3. Pro Forma Adjustments

(a) Reflects the elimination of inter-company revenue of DRG Resources Group from the Corporation.

(b) Reflects the elimination of inter-company expenses of the Corporation from DRG Resources Group.

(c) Reflects nine months amortization of acquired intangibles in connection with the acquisition of Trustpoint and one year amortization of acquired intangibles in connection with the acquisition of DRG Resources Group. The goodwill is amortized over a five-year period and other acquired intangibles are amortized over a three-year period.

(d) Reflects twelve months amortization of deferred compensation recorded in connection with the acquisition of DRG Resources Group.

(e) Reflects payroll taxes for DRG Resources Group consultants and owner members.

(f) Reflects the issuance of 298,181 common shares of the Corporation, which are not subject to contingencies as of April 30, 2000, in connection with the acquisition of DRG Resources Group, and reflects the issuance of 201,120 common shares of the Corporation in connection with the acquisition of Trustpoint for an additional nine months. The effect of stock options assumed in the acquisitions has not been included as their inclusion would be anti-dilutive.

(g) Reflects four months amortization of acquired intangibles in connection with the acquisition of DRG Resources Group. The other two months amortization of acquired intangibles has been reflected in the depreciation and amortization of the Corporation for the six months ended October 31, 2000.

(h) Reflects four months amortization of deferred compensation recorded in connection with the acquisition of DRG Resources Group. The other two months amortization of deferred compensation has been reflected in the deferred compensation amortization of the Corporation for the six months ended October 31, 2000.

(i) Reflects the 198,797 common share of the Corporation, which are not included in the weighted average shares number of the Corporation for the six months ended October 31, 2000 and are not subject to contingencies as of October 31, 2000 in connection with the acquisition of DRG Resources Group. The effect of stock options assumed in the acquisitions has not been included as their inclusion would be anti-dilutive.

4. Income Taxes

The pro forma condensed consolidated financial statements do not reflect income taxes related to the operations of DRG Resources Group as the Corporation has current net operating losses greater than the taxable income that would be generated by DRG Resources Group as a taxable entity. The Corporation has not recorded a pro forma adjustment for the deferred tax liability arising from the purchase of DRG Resources Group due to the Corporation's deferred tax position.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of U.S. dollars, except share data)

CDN GAAP

5. United States Generally Accepted Accounting Principles

These pro forma condensed consolidated statements of operations have been prepared in accordance with generally accepted accounting principles in Canada, which conform in all material respects with those in the United States (''U.S. GAAP'') for the periods presented except with respect to the following:

	Six months ended October 31, 2000	Year ended April 30, 2000
Pro forma net loss in conformity with Canadian GAAP	$(17,899)	$(33,362)
Adjustments:		
Deferred product development costs, net of amortization	—	369
Write off of purchased in-process research and development	—	(535)
Amortization of acquired intangibles and purchased in-process research and development	615	7,368
Stock compensation expense	(769)	(707)
Pro forma net loss in conformity with U.S. GAAP	(18,053)	(26,867)
Comprehensive income (loss)		
Net unrealized gain (loss) on marketable securities available-for-sale	118	14
Pro forma comprehensive loss in conformity with U.S. GAAP	$(17,935)	$(26,853)
Basic and diluted net loss per common share – U.S. GAAP	$ (0.69)	$ (1.18)

CERTIFICATE OF THE COMPANY

Dated: March 9, 2001

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada. For the purpose of the Province of Québec, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

(Signed) RICHARD P. DALMAZZI Chief Executive Officer	(Signed) RICHARD D. BROUNSTEIN Senior Vice President & Chief Financial Officer

On behalf of the Board of Directors

(Signed) SCOTT A. VANSTONE Director	(Signed) WILLIAM T. DODDS Director

CERTIFICATE OF THE UNDERWRITERS

Dated: March 9, 2001

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada. For the purpose of the Province of Québec, to our knowledge, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

YORKTON SECURITIES INC.

By: (Signed) MARK R. MCQUEEN

BMO NESBITT BURNS INC.	CIBC WORLD MARKETS INC.	HSBC SECURITIES (CANADA) INC.	TD SECURITIES INC.
By: (Signed) BRUCE WALTER	By: (Signed) BRYAN G. MITCHENER	By: (Signed) JOHN K. PHILP	By: (Signed) TANYA COVASSIN

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of:

YORKTON SECURITIES INC.: G. Scott Paterson and Yorkton Holdings Ltd.;

BMO NESBITT BURNS INC.: a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited; an indirect majority-owned subsidiary of a Canadian chartered bank;

CIBC WORLD MARKETS INC.: a wholly-owned subsidiary of a Canadian chartered bank;

HSBC SECURITIES (CANADA) INC.: a wholly-owned subsidiary of a Canadian chartered bank; and

TD SECURITIES INC.; a wholly-owned subsidiary of a Canadian chartered bank;

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