







Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings    ▼ ▼ ▼ ▼ ▼ ▼ ▼		RECORDATION FORM COVER SHEET PATENTS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.					
1. Name of conveying party(ies): Chrysalis-Its Inc.		2. Name and address of receiving party(ies) Name: Mosaid Technologies Incorporated Internal Address: _____ _____ _____ Street Address: 11 Hines Road _____ _____ City: Kanata State: ON Zip: K2K 2X1 Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other Purchase Agreement Execution Date: December 21, 2001					
4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is: _____ A. Patent Application No.(s) 09/725,927 _____ _____ B. Patent No.(s) _____ _____ Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
5. Name and address of party to whom correspondence concerning document should be mailed: Name: Ogilvy Renault Internal Address: _____ _____ _____ Street Address: 1981 McGill College Avenue Suite 1600 City: Montreal State: QC Zip: H3A 2Y3		6. Total number of applications and patents involved:  7. Total fee (37 CFR 3.41).....\$ 40.00 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: 195113			
DO NOT USE THIS SPACE					
9. Signature. Kevin Pillay, Reg. No. 41,559 Name of Person Signing  Signature March 4, 2004 Date Total number of pages including cover sheet, attachments, and documents: 					

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

CH \$40.00 195113 09725927

THIS AGREEMENT made the 21st day of December 2001,

B E T W E E N:

CHRYSLIS-ITS INC., a corporation existing
under the laws of the Province of Ontario,

(the "Vendor"),

- and -

MOSAID TECHNOLOGIES INCORPORATED, a
corporation existing under the laws of the Province of
Ontario

(the "Purchaser"),

THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

ARTICLE I INTERPRETATION

1.1 *Defined Terms*

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings specified or referred to below and grammatical variations of such terms shall have corresponding meanings:

- (a) "Agreement" means this Asset Purchase Agreement and all amendments made in writing by the parties hereto, "herein" and similar expressions mean and refer to this Agreement and not to any particular Article, section, subsection or Schedule;
- (b) "Assets" has the meaning set out in section 2.1 hereof and Schedule 1 hereto;
- (c) "Business Day" means any day, other than a Saturday or a Sunday, on which the main branch of the Royal Bank in Ottawa, Ontario is open for business;

- (d) "Closing Date" means December 21, 2001 or such other date as the Vendor and the Purchaser may mutually determine;
- (e) "Closing Date Payment" has the meaning set out in section 3.2;
- (f) "Encryption Chips" means the LUNA 340, 341, 510 or other chips developed in whole or in part through the efforts of the Vendor, and other generations of such encryption accelerator chips
- (g) "Encumbrance" means any encumbrance, lien, charge, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any contract to create any of the foregoing;
- (h) "Losses" means, in respect of any matter, all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter;
- (j) "Purchase Price" has the meaning set out in section 3.1;
- (k) "the Rules" means the Rules of the Arbitration and Mediation Institute of Ontario, Inc.; and
- (l) "Time of Closing" means 10:00 a.m. (Ottawa time) on the Closing Date, or such other time on the Closing Date as the Vendor and the Purchaser may mutually determine; and

1.2 *Entire Agreement*

This Agreement and the Schedules hereto together constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.3 *Time of Essence*

Time shall be of the essence of this Agreement.

1.4 *Applicable Law*

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of Ontario and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Ontario and all courts competent to hear appeals therefrom.

1.5 *Successors and Assigns*

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and their respective successors and permitted assigns. Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

1.6 *Amendments and Waivers*

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided.

1.7 *Schedules*

The following Schedules are attached to and form part of this Agreement:

<u>Schedule 1</u>	-	Assets
- Exhibit 1	-	Status of Patent Applications: June 25, 2001
<u>Schedule 2</u>	-	Excluded Software and Related IP
<u>Schedule 3</u>	-	Allocation of Purchase Price
<u>Schedule 4</u>	-	Final Settlement and Mutual Release

ARTICLE II PURCHASE AND SALE OF ASSETS

2.1 *Assets to be Purchased*

Subject to the provisions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, effective as of the close of business on the Closing Date, all of the assets defined and described in Schedule 1 hereto (the "Assets").

ARTICLE III PURCHASE PRICE

3.1 *Purchase Price*

The purchase price (the "Purchase Price") payable by the Purchaser to the Vendor for the Assets shall be \$. (Canadian funds). The Purchase Price shall be satisfied by the payment referred to in section 3.2.

3.2 *Closing Date Payment*

At the Time of Closing, the Purchaser shall pay the Vendor the Purchase Price by certified cheque or bank draft payable to or to the order of the Vendor.

3.3 *Allocation of Purchase Price*

The Vendor and the Purchaser agree to allocate the Purchase Price among the Assets in accordance with Schedule 3 hereto and to report the sale and purchase of the Assets for all federal, provincial and local tax purposes in a manner consistent with such allocation.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with its purchase of the Assets:

4.1 *Title to Personal Property*

The Assets are owned beneficially by the Vendor with a good and marketable title thereto, free and clear of all Encumbrances.

4.2 *Intellectual Property*

The Vendor is not aware of any claim of infringement or breach of any industrial or intellectual property rights of any other person related to its use of the Assets or its efforts to develop the Encryption Chips, nor has the Vendor received any notice that its use of the Assets, including the use of any intellectual property related thereto, infringes upon or breaches any industrial or intellectual property rights of any other person, and the Vendor has no knowledge of any infringement or violation of any of its rights in the Assets or its efforts to develop the Encryption Chips. Exhibit 1 to Schedule 1 hereto contains a complete and current list of all patent applications made or in the process of being made by the Vendor related to the Encryption Chips.

4.3 *Full Disclosure and Completeness*

Neither this Agreement nor any document to be delivered by the Vendor nor any certificate, report, statement or other document furnished by the Vendor in connection with the negotiation of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. The Assets to be transferred to the Purchaser hereunder as set out in Schedule 1 to this Agreement constitute all software, source code, data, documentation, information and related intellectual property rights within the possession or control of the Vendor required to enable the Purchaser to use and further develop the Assets for the purpose of developing and commercializing the Encryption Chips. Schedule 2 to this Agreement lists and describes all software, source code, data, documentation, information, hardware and related intellectual property rights in any way utilized by the Vendor in its efforts to develop and commercialize the Encryption Chips that are not being transferred by the Vendor to the Purchaser pursuant to this Agreement.

ARTICLE V COVENANTS

5.1 *Access to and Investigation of Assets*

The Vendor shall forthwith make available to the Purchaser and its authorized representatives all documents, contracts, plans, licenses, and all other information and data relating to the Assets. The Vendor shall afford the Purchaser and its authorized representatives until the Time of Closing to have free and unrestricted access to the Assets and to any other data, materials or information which the Purchaser may discover the existence of during such exercise of its right of such access and may determine that, in its sole discretion, are relevant to its purchase of the Assets.

At the request of the Purchaser:

- (a) the Vendor shall make available to the Purchaser a person who has a thorough knowledge and familiarity with the Assets and who can examine and review them in order to, in good faith, assure the Purchaser that they constitute all software, source code, data, information, and related intellectual property rights within the possession or control of the Vendor required to enable the Purchaser to use and further develop the Assets for the purpose of developing and commercializing Encryption Chips; and
- (b) the Vendor shall execute such consents, authorizations and directions as may be necessary to permit any assessment, inspection and testing of the Assets and shall generally permit the Purchaser's representatives or consultants to conduct all such assessment, testing and inspection in respect of the Assets as the Purchaser may determine, in its sole discretion, are required to reasonably satisfy the Purchaser; and

- (c) the Vendor shall co-operate with the Purchaser in arranging any such meetings as the Purchaser should reasonably request with employees employed or formerly employed in the Vendor's Semiconductor Division and who have knowledge of the Assets or any other persons engaged or previously engaged to provide services to the Vendor who have knowledge of matters relating to the Assets.

5.2 *Conduct of Vendor Prior to Closing*

Without the prior consent of the Purchaser, the Vendor shall not place, or consent to the placing of, Encumbrances on the Assets or generally take any other actions that might damage or devalue the Assets or impair the right of the Purchaser to acquire a good, marketable and valid title to the Assets by completing the transaction of purchase and sale hereunder.

5.3 *Conduct of Vendor After Closing*

Upon reasonable request by the Purchaser, Vendor shall, in good faith, cooperate with and reasonably assist the Purchaser in its effort to continue to prosecute the patent applications listed in Exhibit 1 to Schedule 1 to this Agreement, and with respect to any future licensing negotiations with third parties relating to those patents. Vendor shall not act, consult for or assist any third party adverse in interest to the Purchaser in any negotiations, litigation or other proceedings pertaining to the patents and patent applications listed in Exhibit 1 to Schedule 1 hereto.

ARTICLE VI CONDITIONS OF CLOSING

6.1 *Conditions of Closing in Favour of the Purchaser*

The sale and purchase of the Assets is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be performed or fulfilled at or prior to the Time of Closing:

- (a) *Representations and Warranties.* The representations and warranties of the Vendor contained in this Agreement shall be true and correct at the Time of Closing with the same force and effect as if such representations and warranties were made at and as of such time, and a certificate of the Chief Financial Officer of the Vendor, dated the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably;
- (b) *Covenants.* All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Time of Closing shall have been complied with or performed, and a certificate of the Chief Financial Officer of the Vendor, dated the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in form and substance satisfactory to the Purchaser, acting reasonably;

- (c) *Legal Matters.* All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, and all legal matters relating to the purchase of the Assets shall have been approved as to form and legality by counsel for the Purchaser, acting reasonably;
- (d) *Bulk Sales Act Compliance and Indemnity.* The Purchaser shall have been furnished with evidence satisfactory to it that the Royal Bank of Canada (the "Bank"), being the most significant secured or unsecured creditor of the Vendor, has: (a) waived the provisions of the Bulk Sales Act R.S.O 1990, c. B.14 that require that adequate provision be made for the immediate payment in full of the Bank's claim upon the Assets forthwith after completion of the sale, and (b) acknowledged and agreed that the Purchaser may pay the Purchase Price to the Vendor and thereupon acquire valid title to the Assets without making any provision for the immediate payment of the Bank's claims and that any right to recover payment of the Bank's claims may be asserted against the Vendor only. The Vendor shall indemnify the Purchaser in respect of the claims, and the Purchaser's reasonable actually-incurred legal expenses in respect of such claims, that might in the future be made against the Purchaser by any other third party pursuant to the Act;
- (e) Purchaser shall be satisfied that the Assets required under this Agreement to be delivered by the Vendor at the Time of Closing shall comprise everything described in Section 4.3 hereof and in Schedule 1 hereto; and
- (f) Purchaser shall have conducted a final inspection of the Assets immediately prior to the Closing with the assistance of the person referred to in Section 5.1 (a) hereof, and shall have found the Assets to be complete in all respects as required hereunder.

6.2 *Conditions Not Performed by Vendor*

If any of the conditions contained in section 6.1 shall not be performed or fulfilled at or prior to the Time of Closing to the satisfaction of the Purchaser, acting reasonably, the Purchaser may in its sole discretion, by notice to the Vendor, elect to:

- (a) extend the Closing Date for a period of up to 30 days in order to conduct further assessment, testing and inspection pursuant to Section 5.1 above; or

- (b) complete this Agreement with a reduction in the Purchase Price in an amount agreed upon by the parties hereto or, if the parties cannot agree, as determined by a single arbitrator selected by the parties hereto or appointed pursuant to the Rules. The arbitration will proceed according to the Rules except that the arbitrator shall be bound to conduct and complete the arbitration and render a decision within a period of no longer than 120 days following the date that this Section 6.2 (b) is invoked by the Purchaser, unless otherwise agreed by the parties hereto.

ARTICLE VII CLOSING DATE AND TRANSFER OF POSSESSION

7.1 *Transfer*

Subject to compliance with the terms and conditions hereof, the physical transfer of possession and ownership of the Assets shall take effect as at the Time of Closing on the Closing Date.

7.2 *Place of Closing*

The closing shall take place at the Time of Closing at the offices of the Purchaser at 11 Hines Road, Kanata, Ontario.

7.3 *Risk of Loss*

From the date hereof up to the Time of Closing, the Assets shall be and remain at the risk of the Vendor. If, prior to the Time of Closing, all or any part of the Assets are destroyed or damaged in any way, or appropriated or seized by governmental or other lawful authority, Purchaser will have the option to either terminate its obligations under this Agreement or to complete the purchase with a reduction of the Purchase Price in an amount as agreed upon by the parties or, if the parties cannot agree, as determined by a single arbitrator selected by the parties hereto or appointed pursuant to the Rules. The arbitration will proceed according to the Rules except that the arbitrator shall be bound to conduct and complete the arbitration and render a decision within a period of no longer than 120 days following the date that this Section 7.3 is invoked by the Purchaser, unless otherwise agreed by the parties hereto.

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ARTICLE VIII INDEMNIFICATION

8.1 *Indemnification by the Vendor*

The Vendor agrees to indemnify and save harmless the Purchaser from all Losses suffered or incurred by the Purchaser as a result of or arising directly or indirectly out of any breach by the Vendor of this Agreement and with respect to any claim, loss or damages alleged, or proceeding initiated by, a third party in any way relating to the Vendor's past dealings with the Assets or relating to the Vendor's agreement to sell the Assets to the Purchaser pursuant to this Agreement. Except in respect of a breach of this Agreement due to the Vendor's failure under section 4.2 to disclose a known claim, or notice of claim etc., of infringement or breach of intellectual property rights and/or an known infringement or violation of its rights in the Assets, the maximum extent of the Vendors liability to the Purchaser under this section 8.1 is \$

ARTICLE IX MISCELLANEOUS

9.1 *Settlement of Past Dispute*

The Vendor and the Purchaser acknowledge that the consideration for this Agreement includes the parties' agreement to fully and finally settle all matters in dispute between them arising out of or in any way relating to the NSP2 Development and Supply Agreement dated October 26, 1998, as amended on September 28, 2000, and as otherwise amended by the correspondence, acts or conduct of the parties. The Vendor and the Purchaser confirm such final settlement and agree to mutually release each other from any and all claims for damage or loss as is more fully provided in Schedule 4 hereto.

9.2 *Notices*

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by facsimile transmission or sent by registered mail, charges prepaid, addressed as follows:

- (i) if to the Vendor:

CHRYSA LIS-ITS, Inc.
1 Chrysalis Way,
Ottawa, Ontario
K2G 6P9

Attention: Chief Financial Officer
Telecopier No.: 613-723-0985

(ii) if to the Purchaser:

MOSAID Technologies Incorporated
11 Hines Road
Kanata, Ontario
K2K 2X1

Attention: General Counsel
Telecopier No.: 613-591-8148

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted as aforesaid.
- (c) Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this section 9.2.

9.3 *No Disclosure*

Neither party shall disclose the existence of this Agreement, any of its contents or any aspects of the matters or transaction hereby intended except on a strictly confidential basis to its board of directors, its senior management, its legal, accounting or other professional advisors, or as may be required by any applicable law or any regulatory authority having jurisdiction. Nothing in this section shall restrict the Purchaser after the completion of the transaction hereby intended from disclosing any and all details concerning the Assets it has purchased pursuant to this Agreement for the purposes of conducting discussions and negotiations with third parties with respect to the sale, licensing, further development or commercialization of Assets. Nothing in this section shall restrict the Purchaser or the Vendor from disclosing to current or potential investors and financial analysts solely the fact that the Vendor has sold the Assets to the Purchaser hereunder and solely the fact that any and all disputes between the Vendor and the Purchaser have been finally resolved to their mutual satisfaction.

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9.4 Confidentiality

Both the Vendor and the Purchaser shall maintain the confidentiality of any information received from each other in connection with the transaction contemplated by this Agreement, whether received before or after the date of this Agreement. If the transfer of the Assets to the Purchaser is not consummated, each shall return to the other any confidential schedules, documents, or other written information obtained from the other in connection with this Agreement whether received before or after the date of this Agreement and the Purchaser agrees that, except as otherwise authorized by the Vendor, neither the Purchaser nor its representatives, agents or employees will disclose to third parties any confidential information or confidential data relating to the Vendor or the Assets discovered by the Purchaser or its representatives as a result of the Vendor making available to the Purchaser and its representatives the information requested by them in connection with the transaction contemplated herein.

9.5 Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties.

CHRYSLIS-ITS, INC.

MOSAID Technologies Incorporated



Name: Peter Bradley
Title: CEO
Date: Dec 21, 2001



Name: Richard D. Bandow
Title: Sr. VP, CFO
Date: Dec. 21, 2001

SCHEDULE 1 TO PURCHASE AGREEMENT DATED DECEMBER 21, 2001

CHRYSLIS ITS, Inc. as the "Vendor" and MOSAID Technologies Incorporated as the "Purchaser" under the Purchase Agreement dated December 21, 2001 (the "Agreement") hereby agree as follows:

1. *Meaning of "Assets"*

As referred to in Section 1.1 (b) of and otherwise under the Agreement, "Assets" shall mean the following:

- (a) All software owned by or in the possession of the Vendor utilised by the Vendor in all of its past and current efforts to study, investigate, research, develop and commercialise the LUNA 340, 341, 510 and other generations of encryption accelerator chips (defined in the Agreement as the "Encryption Chips"). Such software includes any software licensed to the Vendor by unaffiliated third parties (excluding software so licensed under terms that strictly prohibit its assignment, transfer or sub-license) and includes but is not limited to the following (all collectively referred to hereafter as "the Software"):

340 and 341 Firmware

NSP API, Drivers and CPSL (for LUNA 340, 341)

NSP Test Software and Test Scripts (for LUNA 340, 341)

Hardware Accelerated Open SSL and SSL Stack (for LUNA 340, 341)

NSP IKE Software (for LUNA 340, 341)

510 FEP Software

510 Firmware

510 Design Verification Software

NSP API, Drivers and CPSL (for LUNA 510)

NSP Test Software and Test Scripts (for LUNA 510)

Hardware Accelerated Open SSL and SSL Stack (For LUNA 510)

NSP IKE Software (For LUNA 510)

Bugzilla Licenses

Version Control System (CVS Freeware)


- (b) Subject to Schedule 2 to the Agreement, all source code, technical information, working papers and notes, correspondence, email and all collateral data or information of any kind whatsoever relating in any way to the Software, that the Vendor currently has in its possession or control and/or which it currently has, or could reasonably acquire, a legal right to obtain possession or control of;

- (c) All intellectual property owned by the Vendor relating to the Encryption Chips (as defined in the Agreement), excluding all trade or brand names, business names, trade marks, trade mark registrations and applications, service marks, service mark registrations and applications, but including all copyrights, copyright registrations and applications, patents, patent registrations and applications and other patent rights (including any patents issued on such applications or rights), trade secrets, proprietary manufacturing information and know-how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors' notes, research data, unpatented blue prints, drawings and designs, formulae, processes, technology and other intellectual property, and other industrial or intellectual property owned by the Vendor necessary to enable the Purchaser to develop and commercialise the Encryption Chips, including, but not limited to, the patent applications described in Exhibit 1 to this Schedule 1; and
- (d) All books and records (other than those required by law to be retained by the Vendor, copies of which will be made available to the Purchaser, or those items specifically excluded under Schedule 2 to the Agreement), including without limitation, customer lists, sales records, price lists and catalogues, sales literature, advertising material, manufacturing data, production records, supply records, inventory records and correspondence files (together with, in the case of any such information that is stored electronically, the media on which the same is stored) and generally all other data, technical or information of any kind within the ownership, possession or control of the Vendor whatsoever that could, in the reasonable judgment of the Purchaser, possibly assist the Purchaser to continue to utilise, develop and commercialise the Software and the Encryption Chips.

IN WITNESS WHEREOF this Schedule has been executed by the parties.

CHRYSLIS-ITS, INC.

MOSAID Technologies Incorporated


Name: Richard D. Boudreau
Title: CEO
Date: Dec 21, 2001



Name: Richard D. Boudreau
Title: Sr VP, CFO
Date: Dec. 21, 2001

EXHIBIT 1 to SCHEDULE 1 TO PURCHASE AGREEMENT DATED DECEMBER 21, 2001

STATUS OF PATENT APPLICATIONS - June 26, 2001

File No.	Patent Name	Inventors	Country	Application No.	Filing date	Status	Bonus Paid
47-11US	"Method of Processing Serial Data, Serial Data Processor and Architecture Thereof"	Low/Davis	US	09/741,829	22/12/00	awaiting First Office Action for filing date 24-Dec-01	pd. pd.
47-13US	"Method & Apparatus for Switchably Selecting an Integrated Circuit Operating Mode"	Goodman	US	09/862,339	23/05/01	awaiting First Office Action	pd
47-17US	"Calculating Apparatus Having a Plurality of Stages"	Davis/Thomas	US	09/851,189	09/05/01	awaiting First Office Action	pd. Pd
47-18	"Variable Bit Length Encryption Processor"					application being prepared	
47-19	"Apparatus for Calculating and Encryption"	Low/Hamilton	US			PO #MM21138 - application with inventors	

SCHEDULE 2 TO PURCHASE AGREEMENT DATED DECEMBER 21, 2001**EXCLUDED SOFTWARE AND RELATED INTELLECTUAL PROPERTY**


CHRYSLIS ITS, Inc. as the "Vendor" and MOSAID Technologies Incorporated as the "Purchaser" under the Purchase Agreement dated December 21, 2001 (the "Agreement") hereby agree that the following listed items constitute all software, source code, data, documentation, information, hardware and related intellectual property rights in any way utilized by the Vendor in its efforts to develop and commercialize the Encryption Chips (as defined in Section 1.1(f) of the Agreement) that are not being transferred by the Vendor to the Purchaser pursuant to the Agreement:

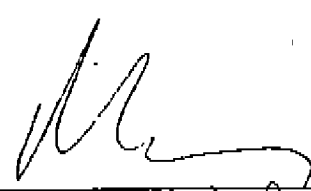
1. VxWorks Licenses;
2. SSH License;
3. Metaware Licenses for ARC Compiler;
4. All memory checking software used during the Encryption Chips project;
5. All benchmarking tools – Web Bench, etc. used during the Encryption Chips project;
6. personal email correspondence between members of the former Semiconductor Division of the Vendor the relevant contents of which have been already moved to data files to be transferred as part of the Schedule 1 Assets;
7. Windows NT, Windows 2000, Microsoft Office and Microsoft Project licenses;
8. Computer hardware equipment and related accessories

IN WITNESS WHEREOF this Schedule has been executed by the parties.

CHRYSLIS-ITS, INC.

MOSAID Technologies Incorporated


Name: DEI BRADLEY
Title: CFO
Date: DEC 21, 2001


Name: Richard D. Boardman
Title: Sr VP, CFO
Date: Dec 21, 2001