

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Chrysalis Capital II Corporation (the “**Corporation**”)
2345 Yonge Street, Unit 300
Toronto, Ontario
M4P 2E5

Item 2. Date of Material Change

September 26, 2005

Item 3. News Release

A press release was disseminated on September 28, 2005, via CCN Matthews.

Item 4. Summary of Material Change

Chrysalis CPC Co-Investment Limited Partnership acquired ownership of 500,000 common shares of Chrysalis Capital II Corporation.

Item 5. Full Description of Material Change

Please refer to the Press Release of the Corporation issued on September 28, 2005 attached as Schedule “A” hereto.

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

Not Applicable

Item 7. Omitted Information

Not Applicable

Item 8. Executive Officer

The name and business number of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

Marc Lavine
Chief Executive Officer and Chairman
Telephone: (416) 352-5763

Item 9. Date of Report

September 29, 2005

SCHEDULE "A"

PRESS RELEASE

CHRYSALIS CAPITAL II CORPORATION

Chrysalis Capital II Corporation (TSXV:CHC.P)
Shares Issued 8,750,000
Last Close 4/08/2005 \$0.30
Wednesday, September 28, 2005 - News Release

Chrysalis CPC Co-Investment Limited Partnership Suite 1200, 95 Wellington Street West, Toronto, Ontario, is pleased to announce that on September 26, 2005, it acquired ownership of 500,000 common shares (the "Shares") of Chrysalis Capital II Corporation ("Chrysalis II"). The Shares represent approximately 5.7% of Chrysalis II's issued and outstanding shares. Upon completion of the transaction, Chrysalis CPC holds a total of 1,750,000 Shares in Chrysalis II, which represents 20% of all security holdings. The Shares were transferred within escrow pursuant to an exempt private placement at a price of \$0.10 per share.

The 500,000 shares transferred to the Offeror were a result of a decision of the Offeror to invest in the Reporting Issuer. The Offeror will likely acquire further securities of the Reporting Issuer if the Reporting Issuer completes a private placement financing in conjunction with the completion of a Qualifying Transaction, but it would not be expected that the Offeror's % interest in the Reporting Issuer would increase.

About Chrysalis CPC Co-Investment L.P. –

The Chrysalis CPC Co-Investment Limited Partnership will seek to generate significant capital appreciation primarily through investments in capital pool companies ("CPCs") created by the Chrysalis Group.

The partnership intends to make an investment of up to 20% of each of the following three rounds of investment: (i) the "seed round" of investment prior to the initial public offering ("IPO"), (ii) a private placement at the IPO price prior to the IPO, and (iii) any financing concurrent with the Qualifying Transaction ("QT"). The Chrysalis CPC Co-Investment L.P. investments will be made at the same valuation or price as offered to all other third parties and the fund will invest up to a maximum amount of \$1,000,000 per Chrysalis CPC.

About Chrysalis Group –

The Chrysalis Group enhanced the CPC program by focusing a dedicated and experienced team of professionals on creating a series of CPC's. This approach leverages our understanding of the nuances of CPC process, public market experience, relationships in the industry and investor base. The result – innovations to the CPC program and access to strong companies for the QT.

To date, the founders of Chrysalis Capital have successfully completed one QT (*Pharmeng Technologies International TSXV:PII*). and have a second CPC pursuing various targets - Chrysalis Capital II Corporation.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

For further information, please contact:

Marc Lavine, Chief Executive Officer and Chairman
Chrysalis Capital Corporation
(416) 352-5763 – marc.lavine@chrysalis-capital.com
www.chrysalis-capital.com