FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. **Name and Address of Company**

Chrysalis Capital II Corporation (the "**Corporation"**)
267 Richmond Street West
Toronto, Ontario
M5V 3M6

Item 2. **Date of Material Change**

January 3, 2006

Item 3. **News Release**

A press release was disseminated on January 4, 2006, via CCN Matthews.

Item 4. **Summary of Material Change**

The Corporation entered into a letter of intent with Tangarine Concepts Corporation ("**Tangarine**") and the principal shareholders of Tangarine, pursuant to which the Corporation and Tangarine will complete a business combination by way of securities exchange or amalgamation (the "**Proposed Transaction**"). The Proposed Transaction is intended to constitute the Corporation's Qualifying Transaction under the policies of the TSX Venture Exchange.

Item 5. **Full Description of Material Change**

Please refer to the Press Release issued on January 4, 2006, 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**

January 6, 2006.

SCHEDULE "A"

chrysalis capital II corporation

PRESS RELEASE

CHRYSALIS CAPITAL II CORPORATION
Suite 300, 2345 Yonge Street
Toronto, Ontario M4P 2E5

Chrysalis Capital II Corporation announces Qualifying Transaction

January 4, 2006 - Toronto, Ontario - Chrysalis Capital II Corporation (**"Chrysalis"**) is pleased to announce that it has entered into a letter of intent (the "**Letter of Intent**") dated January 3, 2006 with Tangarine Concepts Corporation (**"Tangarine"**) and its principal shareholders pursuant to which Chrysalis will complete a business combination (the "**Proposed Transaction**") by way of securities exchange or amalgamation with Tangarine. If completed, the Proposed Transaction will constitute Chrysalis' qualifying transaction pursuant to the policies of the TSX Venture Exchange (the "**Exchange**").

Since its entrance into the point of sale ("**POS**") transaction business in 2001, Tangarine has become one of the leading non-financial institution POS terminal providers in Canada with over 7,400 terminals. The company also markets MyCard©, one of Canada's first prepaid MasterCards®. Tangarine was incorporated under the laws of Canada and is controlled by Messrs. Keith Turner, Mr. Brent Knudsen and Fraser Elliott, of Ontario, who collectively own approximately 60% of its current issued and outstanding shares.

About Tangarine Concepts Corporation

Tangarine markets consumer-initiated electronic financial payment solutions to small and medium sized retail businesses, such as convenience stores, small specialty stores, bars, restaurants and gas stations. It uses state-of-the-art equipment and software applications to process transactions at retail points of sale. Tangarine operates over 7,400 POS terminals across Canada divided between wired (74%) and wireless (26%) terminals. The wireless terminals are marketed under the brand name "FleetX" and are located primarily in taxis operating in Ontario and Quebec.

In addition to POS transactional support services to retailers, Tangarine also sells prepaid cellular and long distance cards as ancillary products through certain of its POS terminals.

In October 2005, Tangarine was one of the first companies in Canada to introduce a prepaid MasterCard® under the brand name MyCard© (www.mycard.ca). The card is a form of credit card with a preset spending limit that is determined by the amount of cash that has been loaded onto the card. It provides consumers who may not otherwise qualify for a credit card with the opportunity to obtain one, it eliminates the need for consumers to carry cash and it provides an alternative payment method to traditional credit card, cash, cheques, money transfer services, retail cards and gift certificates.

Chrysalis Capital II Corporation • 2345 Yonge Street, Suite 300 • Toronto • Ontario • M4P 2E5 • Canada
416 352-5763 (P & F) • info@chsalis -capital.com • www.chrysalis-capital.com

Details of the Qualifying Transaction

Pursuant to the terms of the Letter of Intent, Chrysalis will consolidate its outstanding share capital by a ratio of 3:1 and shall issue (i) one common share for each class A special share of Tangarine and for each common share of Tangarine; (ii) one preferred share for each outstanding preferred share of Tangarine; and (iii) one common share purchase warrant for each outstanding Tangarine common share purchase warrant.

Immediately prior to the closing of the Proposed Transaction, Chrysalis will also purchase a total of 2,500,000 common shares of Tangarine from two of its principal shareholders at a purchase price of $0.80 per share for a total consideration of $2,000,000. This consideration will be paid by a combination of an aggregate of $800,000 in cash and $1,200,000 in promissory notes.

It is anticipated that, in connection with the Proposed Transaction, Chrysalis will (i) issue up to an aggregate of 45,985,796 common shares having a deemed value of $1.00 per share, pay $2,000,000 in cash and debt and the issuance of up to 3,000,000 preferred shares at a deemed value of $1.00 per share for aggregate consideration of $50,985,796; and (ii) issue warrants to purchase up to 18,263,794 Chrysalis common shares at a price of $1.00 per share.

The Proposed Transaction is expected to constitute Chrysalis' Qualifying Transaction as defined in Policy 2.4 of the Exchange and is subject to compliance with all necessary regulatory approvals and certain other terms and conditions. A comprehensive press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange.

About Chrysalis Group

The Chrysalis Group enhanced the CPC program by focusing a dedicated and experienced team of professionals on creating a series of CPCs. 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 Qualifying Transaction (QT). To date, the founders of Chrysalis Capital have successfully completed one QT (Pharmeng Technologies International TSXV: PII).

THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE.

Chrysalis Capital II Corporation • 2345 Yonge Street, Suite 300 • Toronto • Ontario • M4P 2E5 • Canada

416 352-5763 (P & F) • info@chsalis -capital.com • www.chrysalis-capital.com

For further information, please contact:

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

Fraser Elliott, Chief Financial Officer
Tangarine Concepts Corporation
(416) 363-1777 - fraserelliott@bellnet.ca
www.tangarineconcepts.com
www.mycard.ca

Chrysalis Capital II Corporation • 2345 Yonge Street, Suite 300 • Toronto • Ontario • M4P 2E5 • Canada
416 352-5763 (P & F) • info@chsalis -capital.com • www.chrysalis-capital.com