



## 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 dated January 3 2005 with Tangerine Concepts Corporation ("**Tangerine**") and its principal shareholders pursuant to which Chrysalis will complete a business combination (the "Proposed Transaction") by way of securities exchange or amalgamation with Tangerine. If completed, the business combination 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, Tangerine 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 MasterCard®. Tangerine is 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 Tangerine Concepts Corporation**

Tangerine 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. Tangerine operates over 7,400 point of sale 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, Tangerine also sells prepaid cellular and long distance cards as ancillary products through certain of its POS terminals.

In October 2005, Tangerine was one of the first companies in Canada to introduce a prepaid MasterCard® under the brand name MyCard® ([www.mycard.ca](http://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.

### **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 of 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 TSX Venture Exchange Inc. 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.

For further information, please contact:

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

Fraser Elliott, Chief Financial Officer  
Tangerine Concepts Corporation  
(416) 363-1777 - [fraserelliott@bellnet.ca](mailto:fraserelliott@bellnet.ca)  
[www.tangerineconcepts.com](http://www.tangerineconcepts.com)  
[www.mycard.ca](http://www.mycard.ca)