

# THE CHRYSALIS REPORT



*Chrysalis is focused on generating superior returns through the creation of a series of unique Capital Pool Companies...*

## IN THIS ISSUE

### Chrysalis VI Files Preliminary Prospectus and Begins Preparing for an Early April IPO

|                    |                           |
|--------------------|---------------------------|
| Max Offering:      | \$1,500,000               |
| Min Offering:      | \$1,000,000               |
| Max Investment*:   | \$30,000                  |
| Min Investment*:   | \$1,000                   |
| Price Per Share:   | \$0.20                    |
| Agent:             | Eric Mennell<br>Canaccord |
| Tentative Closing: | Early April               |

\* Under certain circumstances, investors may invest up to \$60,000 - contact us for more info

### Chrysalis IV Completes Qualifying Transaction with Homeland Energy

On February 29, 2008, Chrysalis IV closed its QT with Homeland. Homeland is among only a handful of CPC transactions that has listed directly onto the TSX (vs. the TSXV) proving that the CPC process, coupled with Chrysalis' expertise, is a viable alternative to traditional TSX IPOs

### Carlaw Capital Closes Qualifying Transaction with Nyah Resources

On December 31, 2007, Carlaw completed its QT with Nyah Resources Inc., which owns a 100% interest in the Agnew Lake Uranium Property, consisting of seven unpatented mining claims (1,575 ha equals 3,892 acres) located approximately 40 kilometers west of Sudbury, Ontario.

## Dear Shareholders & Partners,

Welcome to the 3rd edition of The Chrysalis Report

A new reality has established itself over the past 6 months; volatility is no longer reserved for small cap stocks. Even the most "Blue" of the Blue Chips have been unable to avoid massive variances in share prices. Companies like Uranium One, Thomson Corp and CIBC have seen their stocks cut in half.

So, what's an investor to do? Half of the experts tell you to hide your money under your mattress, the other half tell you now is the time to invest it all. No matter who you believe, it has become very clear to us that investing in good companies, early in their life cycle, is the key to protecting and increasing your wealth.

Even in this uncertain market, shareholders who have participated in our most recent Chrysalis CPCs (Chrysalis III and IV) continue to enjoy triple digits gains; a strong indication that our singular focus on creating and completing high quality Capital Pool Companies is providing a unique opportunity for investors.

In markets such as these, where even the best companies struggle to raise capital, we believe that a well funded CPC, comprised of a group of loyal, educated shareholders, will attract a wide range of high quality private companies looking to go public. With that in mind, we have begun the process of IPO'ing Chrysalis VI and ask any interested investors to contact us or Eric Mennell of Canaccord Capital directly at (416) 867-6034.

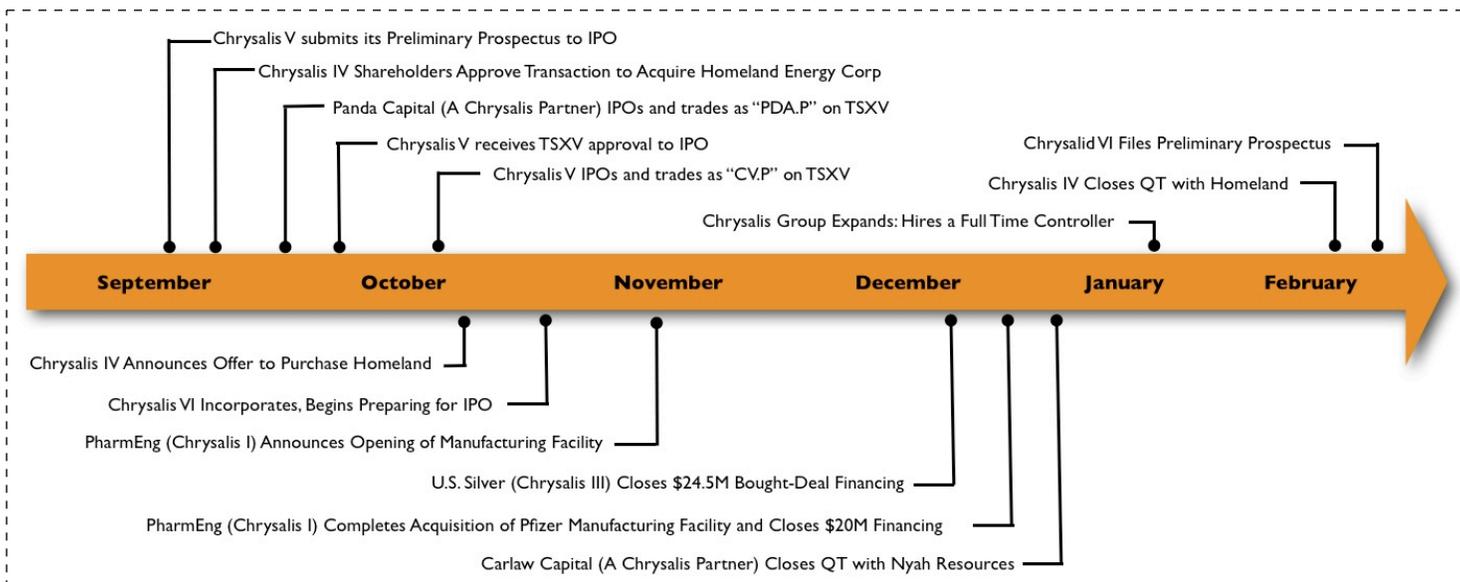
We will continue to work hard to provide our shareholders and partners with opportunities to realize significant gains via the CPC program and welcome your feedback and suggestions on how to do so.

Marc Lavine  
Chairman

Robert Munro  
President

CHRYsalis CPCs

PARTNER CPCs



## ACTIVE CHRYSALIS CPCs

### CHRYSALIS IV COMPLETES QUALIFYING TRANSACTION WITH HOMELAND ENERGY CORP.

As part of this transaction, each CIV shareholder will receive 1/2 as many shares in Homeland as they had in CIV (called a 2:1 consolidation) For example, if you had 10,000 shares of CIV, you now get 5,000 of Homeland).

Shares of Homeland now trade on the TSX under the symbol, "HEG". For more information about Homeland, please visit their website - [www.homelandcorp.com](http://www.homelandcorp.com)

**Insight:** Homeland listed directly onto the senior Exchange - the TSX rather than the TSXV. Less than 1% of all CPC transactions result in direct TSX listings, giving Chrysalis another level of expertise relating to the mechanics of the CPC program.

### CHRYSALIS VI PREPARES FOR INITIAL PUBLIC OFFERING

On March 3, Chrysalis VI (CVI) filed its preliminary prospectus with the TSXV. Interested investors are urged to contact Eric Mennell of Canaccord Capital, our Agent for the IPO.



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## COMPLETED CHRYSALIS CPCs

### U.S. SILVER (CHRYSALIS III) CLOSES \$24.5 MILLION BOUGHT-DEAL FINANCING

On December 5, 2007, U.S. Silver announced the successful closing of its previously announced bought-deal underwritten private placement. Following strong investor demand, the size of the private placement was increased by \$4.47 million, resulting in aggregate proceeds raised of \$24.47 million.

**Insight:** Typically, a "bought-deal" financing indicates a strong belief in a company's ability to meet its long term goals. By increasing the strength of its balance sheet, U.S. Silver is well positioned to achieve its stated objectives.

### PHARMENG (CHRYSALIS I) COMPLETES \$20 MILLION FINANCING AND ACQUIRES PFIZER MANUFACTURING FACILITY

On December 31, 2007, PharmEng announced that its subsidiary, Keata Pharma Inc., completed its agreement with Pfizer Canada to acquire Pfizer's manufacturing facility in Arnprior, Ontario, including inventory. Keata also entered into a supply agreement with Pfizer and two other major pharmaceutical clients with multi-year supply contracts. The aggregate revenues of these multi-year supply contracts is estimated by PharmEng to be approximately CAD\$75,000,000.

In November, PharmEng also announced the opening of its state-of-the-art 46,400 sq. ft. pharmaceutical manufacturing facility in Cape Breton, Nova Scotia.

**Insight:** PharmEng continues to execute its business plan of becoming a premier worldwide pharmaceutical manufacturer (and consultant).