

FORM 51-102F3
Material Change Report
Section 7.1 of National Instrument 51-102
Continuous Disclosure Obligations

- Item 1. Name and Address of Company
- Elysee Development Corp.**
2300-1066 West Hastings Street
Vancouver, B.C. V6E 3X2
- Item 2. Date of Material Change October 19, 2015
- Item 3. News Release
- Issued and distributed through the facilities of Canada Stockwatch and Market News on October 1, 2015
- Item 4. Summary of Material Change
- See attached copy of the October 19, 2015 News Release
- Item 5. Full Description of Material Change
- See attached copy of the October 19, 2015 News Release
- Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102
- N/A
- Item 7. Omitted Information N/A
- Item 8. Executive Officer
- Stuart Rogers
Telephone: (604) 689-1749
- Item 9. Date of Report
- October 19, 2015

ELYSEE

DEVELOPMENT CORP.

NEWS RELEASE

ELYSEE PROPOSES CHANGE OF BUSINESS

October 19, 2015 - Elysee Development Corp. (TSXV: ELC) (the "**Company**"), is pleased to announce that it will be pursuing a proposed change of business to a tier 2 investment issuer (the "**Proposed COB**") listed on the TSX Venture Exchange ("**TSXV**").

Summary of the Proposed COB

The Company has determined to refocus its business operations from a "mining issuer" to an "investment issuer". The Company believes that the experience and contacts of its board of directors and management will enable it to identify and capitalize upon investment opportunities as an "investment issuer". Upon completion of the Proposed COB, the Company's primary focus will be to seek returns through investments in the securities of other companies and other assets.

Investment Objectives

In connection with the Proposed COB, the Company intends to adopt an investment policy (the "**Investment Policy**") to govern its investment activities and investment strategy. A copy of the Investment Policy will be posted on the Company's profile at www.sedar.com.

The Investment Policy will provide, among other things, that: (a) the Company will seek high return investment opportunities in privately held and in publicly traded companies with a focus on publicly traded resource issuers; (b) the Company will seek to preserve capital and limit downside risk while achieving a reasonable rate of capital appreciation; and (c) the Company will seek investments that provide liquidity.

Investment Strategy

In pursuit of the investment objectives stated above, the Company, when appropriate, shall employ the following disciplines: (a) investments shall focus on resource companies, concentrating on advanced stage companies, but also early stage and senior companies where appropriate; (b) the Company will obtain detailed knowledge of the relevant business the investment shall be made in, as well as the investee company. The Company will work closely with the investee company's management and directors, and in some cases assist in sourcing experienced and qualified persons to add to the directors and/or management of the investee companies; (c) the Company will limit 25% of its investment capital (at the time of the investment) to any one investment; and (d) a minimum of 50% of the Company's available funds will be allocated to a minimum of two specific investments. Notwithstanding the above, the Company may authorize investments outside of these limits for the benefit of the Company and its shareholders on a case-by-case basis.

The Investment Policy will provide the Company with broad discretion with respect to the form of investment taken. The Company may employ a wide range of investment instruments, including: equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants, options, royalties, net profit interests and other hybrid instruments. The Company may acquire interests in real property and mineral claims, including carried interests, royalty interests or joint venture interests. Where appropriate the Company may act as a third party advisor of opportunities in target or other companies, in exchange for a fee. The Investment Policy shall not permit the Company to invest in physical commodities, derivatives, “short” sales or other similar transactions. Notwithstanding the above, the Company may authorize investments outside of these disciplines for the benefit of the Company and its shareholders.

Investment Evaluation Process

The Company will establish an investment committee (“**Investment Committee**”) of at least two members of its directors to monitor its investment portfolio on an ongoing basis and to review the status of each investment at least once a month or on an as-needed basis. Nominees for the Investment Committee shall be recommended by the Board.

The members of the Investment Committee shall be appointed annually by the Board at the first Board meeting subsequent to the annual meeting of shareholders or on such other date as the Board shall determine. Members of the Investment Committee may be removed or replaced by the Board. Officers of the Company may be members of the Investment Committee. Each member of the Investment Committee shall be financially literate.

It is anticipated that upon completion of the Proposed COB, the Investment Committee shall be comprised of Stuart Rogers, President, Chief Executive Officer and director, Guido Cloetens, Executive Chairman and director and Martin Burian, director.

Composition of Investment Portfolio

Currently, the Company has the following assets, which it proposes shall comprise part of its initial investment portfolio:

<u>Investment</u>	<u>Value⁽¹⁾</u>
Securities of TerraX Minerals Inc., Niocorp Developments Ltd. and Claude Resources Inc.	\$1,985,825
Convertible Debentures of Lakeshore Gold Corp. and Kirkland Lake Gold Inc.	\$379,000
Additional investments in accordance with Investment Policy	\$1,420,859 ⁽²⁾⁽³⁾
Total	\$3,785,684

(1) As of October 6, 2015 or as of the date of the investment, as applicable.

(2) Investable assets are \$7,571,368 as of October 6, 2015.

(3) Represents the minimum amount required to be invested to comply with section 2.5 of TSXV policy 2.1.

Future Investments

The Company further intends to seek additional investment opportunities in accordance with the policies and processes described herein and the policies of the TSXV applicable to an “investment issuer”.

Shareholder Approval

The Company received the approval of the shareholders of the Company in respect of a change of business of the Company from a “mining issuer” to an “investment issuer” at a meeting of its shareholders on June 24, 2014 (the “**Meeting**”). A copy of the circular in relation to the Meeting is available on the

Company's profile at www.sedar.com. The board of directors of the Company have not revoked the ordinary resolution passed at the Meeting. As such, the resolution as duly approved and adopted, remains valid and continues to be effective until revoked by the board of directors or replaced by another resolution. Under corporate and securities law, the shareholder approval of the Proposed COB remains valid and in the view of the Company no further approval of the Company's shareholders is required. The Company has applied to the TSXV for confirmation that no further approval of the Company's shareholders is required in respect of the Proposed COB.

Sponsorship

The Company has requested from the TSXV a waiver from the requirement to engage a sponsor in connection with the Proposed COB.

Other Information

Completion of the Proposed COB is subject to a number of conditions, including TSXV acceptance and shareholder approval if required by the TSXV. The transaction cannot close until the required shareholder approval is obtained if required. There can be no assurance that the Proposed COB will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in news releases to be prepared in connection with the Proposed COB any information released or received with respect to the Proposed COB may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

Stuart Rogers
President & Chief Executive Officer
Elysee Development Corp.
Tel: (604) 689-1749

Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the Policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward-Looking Statements - This news release contains certain forward-looking statements, including statements regarding the Proposed COB. These statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Company does not undertake to update any forward looking statements, oral or written, made by itself or on its behalf, except as required by applicable law.