ELYSEE DEVELOPMENT CORP.

(the "Company")

INVESTMENT POLICY

Investment Objectives

The principal investment objectives of the Company will be as follows:

1. to seek high return investment opportunities in privately held and in publicly traded companies with a focus on publicly traded resource issuers;
2. to identify advanced stage opportunities with attractive risk/reward ratios through industry contacts of the board of directors (the "Board") and the Investment Committee (as defined herein);
3. to preserve its capital and limit the downside risk of its capital;
4. to achieve a reasonable rate of capital appreciation;
5. to minimize the risk associated with investments in securities; and
6. to seek liquidity in its investments.

The Company's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of senior management and approval by the Board.

The Company does not anticipate the declaration of dividends to shareholders during its initial stages and plans to reinvest the profits of its investments to further the growth and development of the Company's investment portfolio.

Investment Strategy

In pursuit of superior returns and to achieve the investment objectives as stated above, while mitigating risk, the Company, when appropriate, shall employ the following disciplines:

1. investments shall focus on resource companies, concentrating on advanced stage companies, but also early stage and senior companies where appropriate;
2. 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 Board and/or management of the investee companies;
3. the Company shall not invest in physical commodities, derivatives, "short" sales or other similar transactions;
4. the Company will maintain a flexible position with respect to the form of investment taken and may employ a wide range of investment instruments, including including: equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants, options, royalties, net profit interests and other hybrid instruments.

5. investments may be made either through other entities (such as private or public companies) or for the Company's own account (such as an investment in real property);
6. investments may include:
   (a) the Company may acquire interests in real property and mineral claims, including carried interests, royalty interests, joint venture interests or equity intrests in a holding vehicle for such property interests;
   (b) capital investment in private companies and assistance in moving them to a merger transaction with a larger company or to the public stage through initial public offering, reverse takeover or other liquidity event;
   (c) early stage equity investments in public companies believed to have excellent management and business plans; and
   (d) where appropriate, acting as a third party advisor of opportunities in target or other companies, in exchange for a fee;
7. the Company will limit any one investment to 25% of available investment capital(at the time of the investment);
8. the Company will seek to maintain the ability to actively review and revisit all of its investments on an ongoing basis. From time to time, the Company may insist on board or management representation on target companies;
9. the Company will evaluate the liquidity of its investments and seek to realize value from same in a prudent and orderly fashion;
10. the Company shall take holdings in companies within the framework of the above guidelines, and which from time to time may result in the Company holding a control position in a target company;
11. the Company may utilize the services of independent advisors and consultants to gain additional information on target investments where appropriate; and
12. a minimum of 50% of the Company's available funds will have been allocated to a minimum of two specific investments as required under Policy 2.1 of the Exchange policies.

Notwithstanding the above, the Company may authorize investments outside of these disciplines and limits for the benefit of the Company and its shareholders.

Composition of Investment Portfolio

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.

As noted above, subject to the availability of capital, the Company intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Investment Committee

The Company will establish an investment committee ("Investment Committee") of at least two members of its Board of 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.

Conflicts of Interest

The Company will adopt a system for discovering conflicts of interest and maintaining the independence of the Investment Committee in the presence of a potential conflict.

Prior to making any investment commitment, the Company shall adopt procedures for checking for potential conflicts of interest, which shall include but not be limited to a circulation of the potential target company and its affiliates to the Company's principal management.

All members of the Board and Investment Committee shall be obligated to disclose any interest in the potential investment. In the event a conflict is detected, the target company shall be notified of the potential conflict in writing. The members of the Board and its advisors shall be responsible for the detecting a potential conflict.

Where a conflict is determined to exist either within the Board or the Investment Committee, the member ofthe Board having a disclosable interest, shall abstain from making further decisions or recommendations concerning such investment. In the event of a conflict within the Investment Committee, the member of the Investment Committee affected shall be temporarily replaced with an alternate member for the purpose of evaluating the potential investment. In the event of a conflict within the Board, the Board member affected shall be required to provide full disclosure of their interest in the potential investment and shall abstain from all voting in respect of same.

The Company and its affiliates, directors, officers, members of the Investment Committee (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including companies in which the Company may invest. The Parties may also engage in transactions with the Company where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with the Parties or any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm’s length.