

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 5, 2016
- Item 3. News Release
- Issued and distributed through the facilities of Newsfile Corp. on October 5, 2016
- Item 4. Summary of Material Change
- See attached copy of the October 5, 2016 News Release
- Item 5. Full Description of Material Change
- See attached copy of the October 5, 2016 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 5, 2016

ELYSEE

DEVELOPMENT CORP.

NEWS RELEASE

ELYSEE earns \$5,440,583 (\$0.259 per share) during the nine months ended August 31, 2016

October 5, 2016 - Elysee Development Corp. (TSXV: ELC) is pleased to announce its unaudited financial statements and management discussion and analysis for the three and nine months ended August 31, 2016 are now available for viewing on SEDAR and at www.elyseedevelopment.com. All dollar amounts are in Canadian funds.

During the nine months ended August 31, 2016 (“the current period”), Elysee had net earnings of \$5,440,583 as compared with net earnings of \$798,482 for the nine months ended August 31, 2015 (“the prior period”). The earnings for the current period were primarily the result of realized gains on marketable securities of \$1,998,029, unrealized gains on marketable securities of \$3,699,126 and interest and dividend income of \$107,506. Earnings during the prior period were the result of net investment gains of \$721,660, an unrealized foreign exchange gain of \$253,793 and interest and dividend income of \$48,477. As a result of the foregoing, Elysee earned \$0.259 per share for the nine months ended August 31, 2016 as compared to earnings per share of \$0.038 during the prior period.

During the third quarter, Elysee took profits from some of its largest investment holdings, most notably from the sale of a substantial portion of its position in Silver Standard Resources, which was the result of their acquisition of Claude Resources earlier this year. Elysee also sold shares it held in Tahoe Resources, Kaminak Gold, Pretium Resources, Dundee Precious Metals and Kirkland Lake Gold, among others.

Elysee’s allocation of capital changed slightly during the third quarter, with an increase in investment in the specialty metals sector and a reduction in the Company’s cash position. Elysee also participated in several equity financings during the period, subscribing to private placements of Rye Patch Gold, Nulegacy Gold, Fiore Exploration and other smaller issuers.

Subsequent to the period under review, Elysee subscribed for 1,110,000 units of Largo Resources Ltd., a mining company focused on the production of vanadium pentoxide at its Maracas Menchen mine in Brazil. Largo is one of the lowest cost primary producers of vanadium in the world and has an exclusive off-take agreement with Glencore plc.

As at August 31, 2016, the fair value of the company’s investments in marketable securities was \$10,892,580 as compared with \$3,920,592 as at November 30, 2015. Cash and cash equivalents at August 31, 2016 totaled \$2,411,110 as compared to \$4,106,844 at November 31, 2015. The Company’s had no debt or trade payables outstanding as of August 31, 2016.

During the nine month period ended August 31, 2016 the Company repurchased 252,000 of its shares at a total cost of \$49,913 pursuant to a Normal Course Issuer Bid. These shares were returned to treasury and cancelled.

As of September 30, 2016 the five most significant positions held by Elysee were TerraX Minerals Inc., IBC Advanced Alloys Corp., Focus Ventures Ltd., Alexco Resources Corp. and Largo Resource Ltd. Elysee's net asset value ("NAV") was \$0.55 per share as of that same date. NAV is a non-GAAP (generally accepted accounting principles) measure calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. For the purpose of this calculation, share purchase warrants held by Elysee were valued based on their intrinsic value only. The warrants were not valued using the Black-Scholes model calculation, which would result in a higher value, as reported in our annual and quarterly financial statements. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP measure presented in Elysee's financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company believes that NAV can provide information useful to its shareholders in understanding its performance, and may assist in the evaluation of its business relative to that of its peers.

Shareholders are invited to visit our website www.elyseedevelopment.com on a regular basis for monthly updates.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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

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Caution Regarding Forward-Looking Statements - This news release contains certain forward-looking statements that 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.