

**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        July 18, 2018

Item 3.        News Release

Issued and distributed through the facilities of Newsfile Corp. on July 18, 2018

Item 4.        Summary of Material Change

See attached copy of the July 18, 2018 News Release

Item 5.        Full Description of Material Change

See attached copy of the July 18, 2018 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

July 18, 2018

# ELYSEE

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## DEVELOPMENT CORP.

### NEWS RELEASE

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**ELYSEE earns \$999,250 (\$0.05 per share) during the six months ended May 31, 2018;  
declares interim dividend of \$0.01 per share**

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**July 18, 2018 - Elysee Development Corp. (TSXV: ELC)** is pleased to announce that its unaudited financial statements and management discussion and analysis for the three and six months ended May 31, 2018 are now available for viewing on SEDAR and at [www.elyseedevelopment.com](http://www.elyseedevelopment.com). All dollar amounts are in Canadian funds.

During the six months ended May 31, 2018 ("the current period"), Elysee had net earnings of \$999,250 (\$0.05 per share) as compared with net earnings of \$543,403 (\$0.03 per share) for the six months ended May 31, 2017 ("the prior period"). The earnings for the current period were primarily the result of realized gains on marketable securities of \$1,418,339, unrealized losses on marketable securities of \$188,091 and interest and dividend income of \$46,110.

As a result of the company's strong financial performance during the first six months of fiscal 2018, the board of directors has decided to declare an interim dividend of one cent (\$0.01) per share on the company's common shares. The dividend is to be paid on August 3, 2018 to shareholders of record on July 27, 2018. It is an eligible dividend for income tax purposes. This is the first dividend attributable to Fiscal 2018 and it's the third dividend declared by Elysee within the last 13 months, with a dividend of \$0.01 per share having been paid on July 31, 2017 and \$0.02 per share being paid on February 20, 2018 as a result of our strong performance in Fiscal 2017. The company intends to continue its policy of paying dividends on a regular basis whenever it is prudent to do so and whenever results warrant.

As of May 31, 2018 Elysee's net asset value ("NAV") was \$12,184,405 or \$0.56 per share. The fair value of the company's investments in marketable securities was \$10,068,610. Cash and cash equivalents at May 31, 2018 totaled \$2,083,754 as compared to \$882,010 at November 30, 2017. The Company's only debt was comprised of trade payables of \$10,570 as of May 31, 2018.

During the month of May the company received approval to renew its Normal Course Issuer Bid to buy back up to 1,091,687 shares over a one year period terminating May 8, 2019

Guido Cloetens, the chief executive officer of Elysee, stated: "Despite the recent volatility in the financial markets, our active investment management policy has allowed us to continue to deliver solid results and maintain a very strong balance sheet. In spite of paying a cash dividend of two cents per share to our shareholders during the period, we were still able to increase our Net Asset Value and cash position during the period. With earnings per share during the first half of fiscal 2018 of \$0.05 per share, we have decided to continue our tradition of allowing our shareholders to enjoy the benefits of our success by declaring an interim dividend for fiscal 2018 of \$0.01 per share."

In recent months some of our smaller positions were the targets of take-over offers. Most notably, Dalradian Resources Inc. received an offer valued at \$1.47 per share from Orion Mine Finance. In addition, Hecla Mining Company made an offer for Klondex Mines Ltd. and Rye Patch Gold Corp. was acquired by Alio Gold Inc.

During the period, Elysee acquired 740,000 shares of Vendetta Mining Corp at \$0.18 per share and subscribed for 500,000 units of TerraX Minerals Inc. at \$0.40 per unit.

Subsequent to the end of the period, the Company also acquired a convertible debenture of IBC Advanced Alloys Corp. for an amount of \$500,000.

The most significant positions held by Elysee on May 31, 2018 were Kirkland Lake Gold Inc., Largo Resources Ltd., Ravenquest BioMed Inc., IBC Advanced Alloys Corp., TerraX Minerals Inc., Niocorp Developments Ltd., Alexco Resource Corp. and Lightwave Logic Inc.

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 using the Black-Scholes model calculation, 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](http://www.elyseedevelopment.com) on a regular basis for updates.

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

Stuart Rogers  
President  
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.*