

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 6, 2017
- Item 3. News Release
- Issued and distributed through the facilities of Newsfile Corp. on October 6, 2017
- Item 4. Summary of Material Change
- See attached copy of the October 6, 2017 News Release
- Item 5. Full Description of Material Change
- See attached copy of the October 6, 2017 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 6, 2017

ELYSEE

DEVELOPMENT CORP.

NEWS RELEASE

ELYSEE earns \$357,992 (\$0.016 per share) during the nine months ended August 31, 2017

October 6, 2017 - Elysee Development Corp. (TSXV: ELC) is pleased to announce that its unaudited financial statements and management discussion and analysis for the three and nine months ended August 31, 2017 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, 2017 ("the current period"), Elysee had net earnings of \$357,992 as compared with net earnings of \$5,440,583 for the nine months ended August 31, 2016 ("the prior period"). The earnings for the current period were primarily the result of realized gains on marketable securities of \$1,085,507 and interest and dividend income of \$73,684, offset by unrealized losses on marketable securities of \$410,226 and operating expenses of \$343,486. Earnings during the prior period were the result of realized gains of \$1,988,029, unrealized gains of \$3,699,126 and interest and dividend income of \$107,506, offset by operating expenses of \$348,054. As a result of the foregoing, Elysee earned \$0.016 per share for the nine months ended August 31, 2017 as compared to earnings per share of \$0.259 during the prior period.

As at August 31, 2017, the fair value of the company's investments in marketable securities was \$10,503,509 as compared with \$10,516,494 as at November 30, 2016. Cash and cash equivalents at August 31 2017 totaled \$734,696 as compared to \$1,214,972 at November 30, 2016. The Company's only debt was comprised of trade payables of \$1,341 as of August 31, 2017.

During the third quarter of fiscal 2017 (from June 1 to August 31, 2017) the TSX-V Composite Index declined almost 3 %. The market for junior mining equities continued to experience moderate selling pressure. Elysee was able to take advantage of opportunities available in other industry sectors as well as junior gold exploration. In that regard, we increased our position in Scozinc Mining Ltd. and participated in financings for IBC Advanced Alloys Corp, Wealth Minerals Ltd., HIVE Blockchain Technologies Ltd., Fiore Gold Ltd. and Jericho Oil Corporation.

As of August 31, 2017 Elysee's net asset value ("NAV") was \$0.51 per share. The five most significant positions held by Elysee on that date were TerraX Minerals Inc., IBC Advanced Alloys Corp., Polymet Mining Corp., Largo Resources Ltd. and Kirkland Lake Gold Ltd. Equity investments in gold and silver companies declined to 51% of our equity portfolio while investments in other commodities increased to 33%. Please refer to our website for more details.

During the nine month period ended August 31, 2017 Elysee returned \$659,244 to the shareholders by way of a \$0.02 per share cash dividend paid in December 2016 (\$440,819) and a further dividend of \$0.01 per share paid in July 2017 (\$218,425). In addition, the Company repurchased 323,500 of its shares at a total

cost of \$117,465 pursuant to a Normal Course Issuer Bid. These shares were returned to treasury and cancelled at the end of the period.

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.elyseedevlopment.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

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 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.