

# ELYSEE

## DEVELOPMENT CORP.

### NEWS RELEASE

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**ELYSEE earns \$2,049,529 (\$0.07 per share) during the three months ended June 30, 2021.**

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**August 5, 2021 - Vancouver, B.C. - Elysee Development Corp. (TSX.V: ELC)** is pleased to announce its unaudited financial results for the three and six months ended June 30, 2021 ("Q2 2021"). All dollar amounts are in Canadian funds.

Highlights from the Q2 2021 results include:

- Net earnings of \$2,049,529 (\$0.07 per share) in Q2 2021 as compared to earnings of \$53,271 in Q1 2021.
- Net investment income of \$2,140,237 in Q2 2021 versus \$151,255 in Q1 2021.
- Operating expenses of \$90,708 during Q2 2021 as compared to \$97,984 in Q1, 2021.
- Net Asset Value per share increased from \$0.64 as of March 31, 2021 to \$0.72 per share as of June 30, 2021.
- A cash offer of \$2.65 per share by Evolution Mining for Battle North Gold Corp. was completed resulting in a realized gain of \$231,678 in Q2 2021.
- During the reporting period significant gains were realized on the sale of shares of Lightwave Logic Inc., E79 Resources Corp., Endurance Gold Corp., Nextsource Materials Inc. and Oroco Resource Corp. among others.
- In June the Company invested \$1,250,000 in an 8% convertible debenture issued by Wildpack Beverage Inc. in addition to the \$270,000 invested in units of Wildpack earlier this year.

Guido Cloetens, the Chairman and CEO of Elysee, stated:

"We are very pleased with our solid performance in Q2 2021. In April and May mining shares performed well against a background of rising commodity prices and higher inflation numbers. However, in June and July most of those gains vanished after a new variant of the Covid 19 virus emerged and doubts were cast about the economic recovery. In addition, central bankers around the world seem convinced that the resurgence of inflation is only temporary. As a result, the gold price dropped sharply during the month of June followed by a sharp correction in the share prices of precious metals miners.

In Q2 2021 the company further reduced its exposure to gold and silver and diversified into new sectors. Despite significant new investments during this period Elysee maintained a strong cash position of approximately \$3.6 million or 18% of our asset base.

Elysee achieved an exceptional return on its investment in Lightwave Logic. The shares were acquired at US\$0.60 per unit in 2015 and closed at US\$14.95 on June 30, 2021. We realized a gain of approximately C\$455,000 after a partial sale of the shares."

### New investments

In the second quarter of 2021 the Company invested \$1,250,000 in convertible debentures of Wildpack Beverage Inc., (TSX-V: CANS) making it our second largest single investment in marketable securities. In Q1 we acquired \$270,000 in units of Wildpack concurrent with its listing on the TSX-V.

Wildpack is a can filling and decorating company. Cans are becoming more popular and are rapidly gaining market share. However, mid-tier beverage companies are faced with a shortage of filling and decorating capacity. Wildpack recognized this opportunity in 2019 and started acquiring smaller facilities. It currently operates plants in Baltimore, Las Vegas and Sacramento. Management is increasing capacity by investing in new lines and adding shifts. The company also recently acquired an aluminum can decorator in Georgia. In this fragmented market the company sees itself as a consolidator and has ambitious expansion plans for the foreseeable future.

The shares of Green Impact Partners Inc., (“GIP”) one of our significant ESG (Environmental, Social and Governance) investments, began trading on the TSX-V in June. GIP is a clean technology and transition energy company. It owns a portfolio of North American projects that produce clean and renewable energy. The company recently announced plans to co-develop a large-scale bio-fuel facility located in Calgary for an initial capital cost of \$475 million and with an expected annual EBITDA of \$140 million. GIP also announced it has started the construction of a renewable natural gas plant in Colorado for a total construction cost of \$76 million and an expected EBITDA of \$20 million per year once it is fully operational. Elysee Development owns approximately 40,000 shares of GIP.

Next Hydrogen Solutions, Inc. went public in June. Next Hydrogen is a designer and manufacturer of electrolyzers that use water and electricity as inputs to create clean hydrogen. The company has an experienced management team and recently announced an MOU with Hyundai Motor Company and KIA Corp to jointly develop a next generation alkaline water electrolysis system. Elysee owns 20,000 shares of Next Hydrogen.

The most significant publicly traded marketable security positions held by Elysee at the end of June 30, 2021 were Wildpack Beverage Inc., Kirkland Lake Gold Inc., IBC Advanced Alloys Inc., Lightwave Logic Inc. and Dundee Precious Metals Inc.

US Vanadium LLC, a privately held U.S. producer of high-purity vanadium and electrolyte products for Vanadium Redox Flow Batteries (VRFB”), remains Elysee’s largest single investment. Elysee invested a further US\$150,000 in USV during Q1 2021 as part of a significant capital raise to enable USV to optimize and expand its operations to take full advantage of anticipated demand and higher prices for vanadium and vanadium pentoxide.

For more information on these investments and others made during the period, please refer to our MD&A dated August 3, 2021 and the updated investor presentation on our web site.

Subsequent to June 30th, Corvus Gold Inc. received an unsolicited offer from AngloGold Ashanti Ltd. to acquire the company at a price of \$4 cash per share. Corvus’ management is reviewing the offer. Elysee holds 48,000 shares of Corvus at an average cost of \$2.72 per share.

The net asset value of Elysee on July 30, 2021 was \$0.71 per share.

On June 30, 2021 Elysee’s net asset value (“NAV”) was \$0.72 per share. 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.

The Financial Statements and Management Discussion and Analysis are available for viewing on SEDAR and at [www.elyseedevelopment.com](http://www.elyseedevelopment.com).

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