

ELYSEE

DEVELOPMENT CORP.

NEWS RELEASE

ELYSEE ANNOUNCES CONVERTIBLE DEBENTURE FINANCING

June 14, 2024 - Elysee Development Corp. (TSXV: ELC) (the “**Company**”) is pleased to announce that it has closed its previously announced non-brokered private placement (the “**Private Placement**”) of convertible debentures (the “**Convertible Debentures**”) at a price of \$1,000 per Convertible Debenture for gross proceeds of \$2,000,000. The Convertible Debentures will mature on June 14, 2028 (the “**Maturity Date**”) and bear interest at 8% per annum, payable quarterly with the first payment being for the period from June 14, 2024 to September 30, 2024. At the option of the holder, the principal amount of the Convertible Debentures is convertible into common shares of the Company (“**Common Shares**”), at any time from June 14, 2024 until the Maturity Date at a price equal to \$0.38 per Common Share. The Company may elect to redeem the Convertible Debentures at 102% of the nominal value at any time after June 14, 2027 and prior to the Maturity Date.

The Private Placement was conducted in reliance upon certain prospectus exemptions. The Convertible Debentures are subject to a hold period until October 15, 2024 in compliance with applicable securities laws and the rules of the TSX Venture Exchange. The net proceeds from the Private Placement will be used for general working capital requirements.

MI 61-01 Disclosure

Guido Cloetens, a director and officer of the Company, and Thibaut Lepouttre, a director of the Company, directly and indirectly acquired an aggregate of 335 Convertible Debentures pursuant for gross proceeds of \$335,000, representing approximately 881,578 Common Shares on conversion of the Convertible Debentures. Each of the above issuances is a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transaction (“**MI 61-101**”). However, each issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption in Section 5.5(b) of MI 61-101 as no securities of the Company are listed on a market specified in MI 61-101; and (ii) the minority securityholder approval requirement of MI 61-101 by virtue of the exemption in Section 5.7(1)(a) of MI 61-101, as the fair market value of each issuance does not exceed 25% of the Company’s market capitalization. A material change report was not filed by the Company 21 days before the date of closing of the Offering as the level of insider participation in the Offering was not known at that time and the Company moved to close the Offering as soon as closing conditions were met. In the view of the Company, this was reasonable in the circumstances.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Guido Cloetens
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Elysee Development Corp.
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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.

Early Warning Disclosure

This disclosure is made pursuant to the requirements of National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues.

Mr. Cloetens, directly and indirectly through companies controlled by him, being LUCATO BVBA and LA VERITE BVBA (together, the “**Acquiror**”), acquired 275 Convertible Debentures of the Company pursuant to the Private Placement for aggregate consideration of \$275,000 representing up to 723,684 Common Shares on conversion of the Convertible Debentures at \$0.38 per Common Share.

Following the Private Placement, assuming the conversion of all convertible securities and options, the Acquiror owns and controls 5,587,184 Common Shares, which represents approximately 18.9% of the Common Shares outstanding following completion of the Private Placement on an as converted partially diluted basis. Prior to the Private Placement, assuming the conversion of all convertible securities and options, the Acquiror owned 4,413,500 Common Shares and 450,000 options for Common Shares which represented 16.8% of the Common Shares outstanding prior to completion of the Private Placement on an as converted partially diluted basis.

The Convertible Debentures were acquired by the Acquiror pursuant to the Private Placement for investment purposes. In the future, the Acquiror may evaluate its investment in the Company from time to time and may, depending on various factors including, without limitation, the Company’s financial position, the price levels of the Common Shares, conditions in the securities markets and general economic and industry conditions, the Company’s business or financial condition, and other factors and conditions that the Acquiror may deem appropriate, increase, decrease or change its ownership over the Common Shares or other securities of the Company.

The Acquiror is not relying on any exemptions from requirements in securities legislation applicable to formal bids. An early warning report pursuant to the requirements of applicable securities laws will be issued by the Acquiror and will be posted to SEDAR+ at www.sedarplus.ca and available on request at the number below.

For further information, including a copy of the early warning report required under applicable Canadian securities laws to be filed by the Company as a result of the Private Placement referred to in this press release, please contact Guido Cloetens at (778) 373-1562.

Caution Regarding Forward-Looking Statements - This news release contains certain forward-looking statements, including statements regarding the use of proceeds of the Private Placement. These statements 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.