

# ELYSEE

## DEVELOPMENT CORP.

### NEWS RELEASE

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#### **ELYSEE investment US Vanadium acquires America's sole High-Purity Vanadium production facility.**

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**Vancouver B.C. October 15, 2019 - Elysee Development Corp. (TSX.V: ELC)** is pleased to announce that **US Vanadium Holding Company LLC ("USV")**, a private company in which Elysee holds approximately 15%, has now completed the previously announced acquisition from a leading Russian steel conglomerate of the only facility in the Americas that produces the world's highest purity vanadium pentoxide (V<sub>2</sub>O<sub>5</sub>).



**U.S. Vanadium's Processing Facility in Hot Springs, Arkansas USA**

The facility, located in Hot Springs, Arkansas, is unique in its kind since it produces V<sub>2</sub>O<sub>5</sub> at very high purity levels required by demanding applications such as maleic anhydride catalyst, bismuth vanadate pigments and vanadium redox flow batteries ("VRBs"). It also produces a suite of downstream vanadium-based chemicals for customers in the catalyst, chemical, petrochemical, titanium, and energy storage industries.

The Hot Springs facility has produced vanadium and other products since the late 1960s. From 2008 to 2018, production declined from full capacity to very low levels. Over the past year, USV has brought production back online through the provision of new customers through tolling agreements and now, following this acquisition, plans to restore the plant's production to its full nameplate processing capacity

of approximately 12 million lbs. per year of V2O5. Currently the price of V2O5 hovers around US\$6 per pound, with high purity material being sold at significant premiums.

USV is also anticipating greater demand for the very high purity vanadium electrolyte produced at the facility as a result of increased demand for VRBs. Vanadium redox flow batteries are increasingly seen as the preferred technology for use in large-scale electrical grid energy storage, particularly as a means of supporting greater deployment of intermittent generation technologies such as solar and wind energy. The VRB technology has matured to the point where it can demonstrate lower lifetime costs and safer performance than lithium ion batteries, particularly in long duration storage applications.

“Vanadium is a major contributor in the growing technology metals market, and we are excited to be expanding our involvement in the sector with this purchase,” said Brian Menell, Chairman and CEO of TechMet Limited, a major investor in USV. “We are very pleased to be supporting US Vanadium to stimulate the production of this strategic material in the U.S. We predict significant market growth over the coming years with growing demand from large-scale grid storage.”

Closing of the transaction was funded by USV from working capital. Major investors alongside Elysee in U.S. Vanadium include TechMet Limited, The Lind Partners, and other long-time leaders in the vanadium industry. To date, Elysee has invested US\$1.8 million in USV. For more information on U.S. Vanadium please visit their web site at [www.usvanadium.com](http://www.usvanadium.com).

#### **About Elysee Development Corp.**

Elysee Development Corp is a diversified investment and venture capital firm with a focus on the natural resource sector. For more information, please visit our web site at [www.elyseedevelopment.com](http://www.elyseedevelopment.com).

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

Stuart Rogers  
President  
Elysee Development Corp.  
Tel: (778) 373-1562

Guido Cloetens  
Chairman and CEO  
[info@elyseedevelopment.com](mailto:info@elyseedevelopment.com)  
Tel: (778) 985-8011

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