

# ELYSEE

## DEVELOPMENT CORP.

### NEWS RELEASE

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#### **ELYSEE earns record \$4,804,154 (\$0.18 per share) during the three months ended June 30, 2020, offsetting first quarter loss**

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July 28, 2020 - **Elysee Development Corp. (TSX.V: ELC)** is pleased to announce its unaudited financial results for the three and six month periods ended June 30, 2020. All dollar amounts are in Canadian funds.

Highlights of the results for the three months ended June 30, 2020 (Q2 2020) include:

- Net income increased to \$4,804,154 (\$0.18 per share) in Q2 2020 from a loss of \$4,424,627 (\$0.16 per share) during the three months ended March 31, 2020 (Q1 2020);
- Net earnings for the six months ended June 30, 2020 were \$379,527 (\$0.01 per share) as compared to \$703,064 (\$0.03 per share) during the comparable period a year prior; and
- Net Asset Value per share remained stable at \$0.56 per share at June 30, 2020, notwithstanding payment of a cash dividend of 2 cents per share in Q1 2020.

Guido Cloetens, the Executive Chairman of Elysee, reviews the results for the quarter: “We are extremely pleased with the dramatic turnaround of our investment portfolio during the second quarter of 2020, completely reversing our unrealized loss on our portfolio during the first quarter as a result of the onset of the COVID-19 pandemic. Our strategy of focusing on the precious metals sector worked out very well in Q2, resulting in our highest quarterly profit in the history of the Company. Rising gold and silver prices have lead to a strong bull market in exploration stocks and junior miners, which currently comprise over half of our overall investment portfolio.

“The second quarter of 2020 was very active for Elysee. We liquidated small underperforming positions and participated in many private placements of junior mining and exploration companies. Most notable was our acquisition of 500,000 units of Reyna Silver at \$.20 per unit, our subscription to 300,000 units of New Placer Dome Gold and the purchase of 200,000 units of Freeman Gold Corp. In addition, we acquired shares on the open market of Battle North Gold, Corvus Gold, Cartier Resources, Dundee Precious Metals and Sabina Gold and Silver.

“The third quarter of 2020 has started on a very strong note with the value of our investment portfolio reaching a new high. Please visit our website and review our MD&A for more details on individual investments.

“We remain financially strong, with over \$2.8 million in cash currently available for investment purposes. With the price of gold reaching new highs, we remain focused on our core strategy of identifying and investing in high quality companies in the gold and silver sector.”

To conserve cash that we can deploy for investment purposes, ongoing monthly management and director's fees were reduced as of April 1, 2020. The board of directors has also determined it would be prudent to forego the discretionary interim dividend at this time but remains committed to maintaining its annual dividend payment to shareholders at the end of year, subject to market conditions.

As of June 30, 2020 the most significant publicly traded investments held by Elysee were Kirkland Lake Gold Inc., Alexco Resource Corp., Gold Terra Resource Corp., Reyna Silver Corp. and Wesdome Gold Mines Ltd.

As at June 30, 2020 the fair value of the company's investments in marketable securities was \$10,256,245 as compared with \$10,260,554 as at December 31, 2019. Cash and cash equivalents at June 30, 2020 totaled \$1,723,804 as compared to \$1,919,243 at December 31, 2019. The Company's only debt was comprised of trade payables of \$13,031 as of June 30, 2020.

During the six-month period ended June 30, 2020 the Company repurchased 167,000 of its shares at a total cost of \$54,350 pursuant to a Normal Course Issuer Bid that was renewed for another year on May 9, 2020. These shares were returned to treasury and cancelled. As of June 30, 2020 there were 26,895,613 shares outstanding.

On June 30, 2020 Elysee's net asset value ("NAV") was \$0.56 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 audited Financial Statements and Management Discussion and Analysis are available for viewing on SEDAR and at [www.elyseedevelopment.com](http://www.elyseedevelopment.com).

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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