

# ELYSEE

## DEVELOPMENT CORP.

### NEWS RELEASE

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#### **ELYSEE announces loss for the three months ended March 31, 2020**

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**April 17, 2020 - Elysee Development Corp. (TSX.V: ELC)** wishes to announce its unaudited financial results for the three month period ended March 31, 2020, the first quarter of fiscal 2020. All dollar amounts are in Canadian funds.

Due to a drastic downturn in the world financial markets during the first quarter of 2020 as a result of the COVID-19 pandemic, the Company incurred an unrealized loss on marketable securities of \$3,535,677 during the period based on the closing price of the marketable securities in the Company's portfolio on March 31, 2020. The Company has also reviewed its private equity investments and has elected to reduce the book value of its investment in US Vanadium LLC ("USV"), based upon the valuation at which a recent equity financing was completed. This resulted in a write-down of \$561,713 on the USV equity investment. In addition, the Company also wrote-down its investment in a convertible debenture for \$500,000 in Ravenquest Biomed Inc, along with accrued interest of \$33,333, as the recovery of the amount invested appears doubtful. As a result of these unrealized losses and write-downs, that were only partially offset by realized gains of \$272,983 on the sale of marketable securities and dividend and interest income of \$37,445, the Company incurred a net loss for the period of \$4,424,627 (\$0.16 per share). This compares to earnings for first quarter of 2019 of \$780,404 (\$0.03 per share). After paying out a two cent per share dividend for fiscal 2019 (a total of \$539,782) in February 2020, the Company's Net Asset Value\* ("NAV") decreased from \$15.1 million on December 31, 2020 to \$10.1 million (\$0.38 per share) on March 31, 2020.

Guido Cloetens, the Chairman and CEO of Elysee, stated: "Our realized gains on marketable securities were strong during January and February 2020 but all that changed in March 2020 when the true extent of the potential economic damage of the global Coronavirus pandemic became apparent. The plunging financial markets during March 2020 resulted in an unrealized loss of \$3.5 million on our marketable securities when our portfolio was marked to market at the end of the month. Since that date our portfolio has recovered approximately \$1.3 million of that unrealized loss, with some of our significant holdings returning to their 52 week highs. With over \$1.7 Million in cash on hand, and no debt, we remain well positioned to be able to take advantage of the many attractive investment opportunities now available. We remain focused on our core business, investment in high quality companies in the gold and silver sector, which appear poised for a dramatic breakout."

To conserve cash that we can deploy for investment purposes, management and directors have agreed to a reduction in their monthly fees and all discretionary expenses, especially travel, have been eliminated until further notice. The Company will, however, maintain its normal course issuer bid ("NCIB"), which will be renewed prior to its expiry in May 2020.

Elysee's largest single investment remains U.S. Vanadium LLC ("USV"), which owns and operates a vanadium processing facility in Hot Springs, Arkansas. This investment comprises a convertible debenture for US\$1 Million and an equity interest of 5.49% for a total investment of approximately \$1.9 Million Canadian after the recent adjustment.

As of March 31, 2020 the most significant publicly traded investments held by Elysee were Kirkland Lake Gold Inc., Gold Terra Resource Corp., IBC Advanced Alloys Corp., Wesdome Gold Mines Ltd. and Alexco Resource Corp.

As at March 31, 2020 the fair value of Elysee's investments was \$8,387,427 as compared with \$13,221,060 as at December 31, 2019. In addition, the Company had cash and cash equivalents at March 31, 2020 of \$1,706,350 as compared to \$1,919,243 at December 31, 2019. The Company's only debt at March 31 2020 was comprised of trade payables of \$50,317.

\* 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).

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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