Management's Discussion and Analysis
For the Three Month Period Ended February 29, 2016

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This management's discussion and analysis ("MD&A") of Elysee Development Corp. (formerly Alberta Star Development Corp.) ("Elysee" or "the Company"), dated April 28, 2016 should be read in conjunction with the accompanying condensed interim financial statements and notes for the three month period ended February 29, 2016 and the audited financial statements for the year ended November 30, 2015. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as noted, all financial amounts are expressed in Canadian dollars. Additional information relating to the Company is available on SEDAR and may be accessed at www.sedar.com.

OVERVIEW AND OVERALL PERFORMANCE

Elysee Development Corp. (formerly Alberta Star Development Corp.) completed a Change of Business ("COB") from a "mining issuer" to an "investment issuer" on December 31, 2015.

The Company believes that the experience and contacts of its board of directors and management will enable it to identify and capitalize upon investment opportunities as an "investment issuer". The Company's primary focus will be to seek returns through investments in the securities of other companies and other assets. For more information on the COB, please refer to the news release dated October 19, 2015 available on our web site at www.elyseedevelopment.com.

Since the beginning of our fiscal year on December 1, 2015 we have invested over $2.9 Million in publicly listed companies in the U.S. and Canada, with total assets increasing to $8,452,127 as at February 29, 2016 from $8,062,096 on November 30, 2015.

During the period ended February 29, 2016 the Company had net and comprehensive earnings of $391,851 as a result of net investment gains on its portfolio of $488,824. Since January 1, 2016 we have invested a substantial part of our cash in junior exploration and mining companies, primarily in the gold and silver sector.

On April 27, 2016 the Company paid a dividend of $0.02 per share for fiscal 2015 to shareholders of record as of April 20, 2016 for total proceeds of $425,359.48. This was an eligible dividend for Canadian tax purposes.

On October 26, 2015, the Company subscribed for 6,000,000 units of a private placement at $0.125 per unit of Focus Ventures Ltd. ("Focus"). Each unit consists of one common share and one warrant, with each warrant entitling the holder to purchase one additional common share of Focus for five years from closing at $0.15 per share in the first, second and third years, and at $0.20 per share in the fourth and fifth years. Focus is using the funds for ongoing exploration and development activities at its Bayovar 12 phosphate project in Peru.

On April 6, 2016, the Company subscribed for an additional 2,000,000 units of Focus at $0.065 per unit in a private placement. Each unit consists of one common share and one warrant, with each warrant entitling the holder to purchase one additional common share of Focus for one year from closing at $0.065 per share.

On May 4, 2015, the Company received approval from the TSX Venture Exchange (the "Exchange") to renew its Normal Course Issuer Bid (the "Bid"). The original Bid started on May 3, 2013. Pursuant to the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,050,000 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The renewed Bid commenced on May 7, 2015 and will terminate on May 6, 2016, or such earlier time as the Bid is completed or at the option of the Company. Mackie Research Capital Corporation of Vancouver, British Columbia will conduct the Bid on behalf of the Company. The Company purchased 156,000 of its common shares at a total cost of $28,432 pursuant to the normal course issuer bid from December 1, 2015 to February 29, 2016. From March 1, 2016 to April 28, 2016 the Company purchased a further 19,000shares at a cost of $3,610.

The Board of Directors of the Company believes that the current and recent market prices for the Company's common shares do not give full effect to their underlying value and that, accordingly, the purchase of common shares under the Bid will increase the proportionate share interest of, and be advantageous to, all remaining shareholders. The normal course purchases will also afford an increased degree of liquidity to current shareholders who would like to dispose of their shares and will serve to stabilize the market price for the Company's shares.

OUTLOOK

At February 29, 2016 the Company's financial position includes working capital of $8,433,628 inclusive of $2,532,897 of cash and cash equivalents and $5,881,660 in marketable securities.

Management believes the Company's financial position remains strong and is sufficient to cover planned administration costs for at least a twelve month period.

RESULTS OF OPERATIONS – THREE MONTH PERIOD ENDED FEBRUARY 29, 2016

The Company's net and comprehensive earnings for the three month period ended February 29, 2016 was $391,851 ($0.019 per share) compared to net and comprehensive earnings of $1,266,217 ($0.059 per share) for the three month period ended February 28, 2015.

The significant changes in net and comprehensive earnings during the current fiscal period compared to the same period a year prior are as follows:

There was a realized gain on the sale of marketable securities of $180,596 for the three month period ended February 29, 2016 compared to $101,470 in the prior year.

There was an unrealized gain on marketable securities of $240,203 for the three month period ended February 29, 2016 compared to an unrealized gain of $1,053,047 in the prior year as the majority of the prior year unrealized gain was realized through the sale of various marketable securities during the current period.

There was an unrealized foreign exchange gain of $28,935 (2014 – gain of $158,097) for the three month period ended February 29, 2016 based on the valuation of US$386,530 held in U.S. funds. This gain resulted from the Canadian dollar decreasing in value compared to the US dollar over the course of the period.

Interest income increased $25,892 to $38,533 for the three month period ended February 29, 2016, compared to $12,641 during the same period a year prior as higher interest rates were earned on newly acquired convertible debentures.

Director fees decreased $1,500 to $3,000 for the three month period ended February 29, 2016 from $4,500 for the three month period ended February 28, 2015. The decrease in director fees was due to having one less director.

Legal and accounting fees increased $3,773 to $16,360 for the three month period ended February 29, 2016, from $12,587 for the three month period ended February 28, 2015.

Office expenses and rent decreased $3,563 to $6,472 for the three month period ended February 29, 2016 from the $10,035 incurred during the three month period ended February 28, 2015 due to an effort to reduce costs.

There was a $33,258 share-based payment expense, a non-cash item, on the granting of options during the three month period ended February 29, 2016 compared to share-based payment expense of $Nil during the same period a year prior when no options were granted.

Travel costs for the three month period ended February 29, 2016 increased $4,866 to $4,866 as compared to $Nil in the prior year. The current period's travel costs were higher due to costs associated with the investigation of various investment opportunities.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's quarterly financial statements for the past eight quarters and has been prepared using IFRS:

Quarter Ended	Net Comprehensive Earnings (Loss)	Basic and Fully Diluted Earnings (Loss) per Share
February 29, 2016	$391,851	$0.019
November 30, 2015	$(54,203)	$(0.003)
August 31, 2015	$(273,011)	$(0.013)
May 31, 2015	$(194,724)	$(0.009)
February 28, 2015	$1,266,217	$0.059
November 30, 2014	$1,919,268	$0.090
August 31, 2014	$(173,539)	$(0.008)
May 31, 2014	$(326,734)	$(0.015)

The Company's net comprehensive earnings were $391,851 for the first quarter ended February 29, 2016 and were mainly comprised of a $240,203 unrealized gain on marketable securities, $180,596 realized gain on sale of marketable securities, $28,935 unrealized foreign exchange gain, and $38,533 interest income offset by $96,973 in general and administrative expenses.

The Company's net comprehensive loss was $54,203 for the fourth quarter ended November 30, 2015 and is mainly comprised of a $94,850 unrealized gain on marketable securities, $37,284 realized gain on sale of marketable securities, $124,500 realized foreign exchange gain, and $20,597 interest income offset by $196,834 in general and administrative expenses.

The Company's net comprehensive loss was $273,011 for the third quarter ended August 31, 2015 and is mainly comprised of a $315,203 unrealized loss on marketable securities, $15,484 realized gain on sale of marketable securities, $106,365 unrealized foreign exchange gain, and $20,068 interest income offset by $89,471 in general and administrative expenses.

The Company's net comprehensive loss was $194,724 for the second quarter ended May 31, 2015 and is mainly comprised of a $607,321 unrealized loss on marketable securities, $1,135,468 realized gain on sale of marketable securities, $10,669 unrealized foreign exchange loss, and $15,739 interest income offset by $77,784 in general and administrative expenses.

The Company's net comprehensive earnings was $1,266,217 for the first quarter ended February 28, 2015 and is mainly comprised of a $1,053,047 unrealized gain on marketable securities, $101,470 realized gain on sale of marketable securities, $158,097 unrealized foreign exchange gain, and $12,641 interest income offset by $59,038 in general and administrative expenses.

The Company's net comprehensive earnings was $1,919,270 for the fourth quarter ended November 30, 2014 and is mainly comprised of a $1,143,514 unrealized gain on marketable securities and a $1,065,716 gain on the reversal of a general provision related to flow-through shares.

The Company's net comprehensive loss was $173,539 for the third quarter ended August 31, 2014 and is mainly comprised of $103,886 in general and administrative expenses, $71,052 loss on revaluation of short term investment warrants, $5,208 unrealized foreign exchange gain, and a $17,775 unrealized loss on short term investments offset by $15,583 in interest income.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on its working capital and equity financing to fund its investing, exploration and administrative costs.

As at February 29, 2016, the Company had working capital of $8,433,628 mainly comprised of cash and cash equivalents of $2,532,897 and marketable securities of $5,881,660. This compares to working capital of $8,036,480 at November 30, 2015, which included $4,106,844 in cash and cash equivalents and marketable securities of $3,920,592.

The decrease in cash of $1,573,947 during the three months ended February 29, 2016 was mainly due to the purchase of $2,973,333 of marketable securities offset by the sale of $1,433,064 in marketable securities.

Total assets at February 29, 2016 increased to $8,452,127 from $8,062,096 at November 30, 2015, primarily as a result of the realization of a gain on the sale of marketable securities during the fiscal three month period of $180,596 and the unrealized gain on marketable securities of $240,203 as at the end of the fiscal period.

The Company believes that this is sufficient to fund its currently planned investments and administrative budget through the balance of fiscal 2016.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company's Board of Directors consists of Guido Cloetens, Tom Ogryzlo, Stuart Rogers and Martin Burian. Stuart Rogers is the Company's Chief Executive Officer, Guido Cloetens is the Company's Chairman and Gord Steblin is the Company's Chief Financial Officer.

The Company paid amounts to related parties as follows:

	For the Three month period Ended	
	February 29, 2016	February 28, 2015
Management fees paid to a company controlled by Mr. Stuart Rogers	15,000	15,000
Chairman fees paid to a company controlled by Mr. Guido Cloetens	15,000	15,000
Accounting fees paid to a company controlled by Mr. Gord Steblin	12,000	12,000
Director fees paid to Mr. Tom Ogryzlo	1,500	1,500
Director fees paid to Mr. Martin Burian	1,500	1,500
Director fees paid to Mr. Erwin Holsters (resigned October 1, 2015)	-	1,500
	$45,000	$46,500

During the three month period ended February 29, 2016, the Company granted 600,000 options, exercisable at $0.20 per share until January 29, 2018 (February 28, 2015 - Nil) to directors and officers of the Company with a vested estimated fair value of $33,258 (February 28, 2015 - $Nil).

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, (including the Black-Scholes evaluation of the fair market value of warrants held as investments), and share-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

CHANGE IN ACCOUNTING POLICY

During the three month period ended February 29, 2016, certain new accounting policies were adopted by the Company, none of which had a significant effect on the financials records or disclosures of the Company. Future accounting policy changes also not expected to impact the Company in a significant manner.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

	February 29, 2016	November 30, 2015
FINANCIAL ASSETS		
Fair Value through profit or loss , at fair value		
Cash and cash equivalents	$ 2,532,897	$ 4,106,844
Marketable securities	5,881,660	3,920,592
Loans and receivables, at amortized cost		
Interest and other receivables	32,606	23,683
Total financial assets	$ 8,447,163	$ 8,051,119
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade and other payables	17,542	24,187
Total financial liabilities	$ 17,542	$ 24,187

Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly. The $854,203 Black-Scholes valuation of warrants held as investments is substantially higher than the intrinsic value based on the warrant exercise price compared to the market price.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at February 29, 2016, the Company does not have any Level 3 financial instruments.

	Level 1	Level 2	Level 3	Total
As at February 29, 2016				
Cash and cash equivalents	$ 2,532,897	$ -	$ -	$ 2,532,897
Marketable securities	5,027,457	-	-	5,027,457
Warrants	-	854,203	-	854,203
Total financial assets at fair value	$ 7,560,354	$ 854,203	$ -	$ 8,414,557

	Level 1	Level 2	Level 3	Total
As at November 30, 2015				
Cash and cash equivalents	$ 4,106,844	$ -	$ -	$ 4,106,844
Marketable securities	3,095,796	-	-	3,095,796
Warrants	-	824,796	-	824,796
Total financial assets at fair value	$ 7,202,640	$ 824,796	$ -	$ 8,027,436

Management of financial risks

The financial risks arising from the Company's operations include credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and receivables. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at February 29, 2016, receivables were comprised of GST receivable of $2,142 (November 30, 2015 - $4,785), other receivables of $Nil (November 30, 2015 - $794) and interest receivable of $32,606 (November 30, 2015 - $22,889). As a result, credit risk is considered insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company has cash and cash equivalents of $2,532,897 to settle current liabilities of $17,542, therefore liquidity risk is considered insignificant.

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant. The Company also has investments in convertible debentures which have a fixed interest rate and are not subject to interest rate fluctuations.

A 1% change in short-term rates would have changed the interest income and net earnings of the Company, assuming that all other variables remained constant, by approximately $5,025 for the three month period ended February 29, 2016.

Currency risk

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars (Note 4 to the financial statements at February 29, 2016). The Company monitors and forecasts the values of net foreign currency cash flow and financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

RISKS AND UNCERTAINTIES

The Company believes that the following items represent significant areas for consideration.

Cash Flows and Additional Funding Requirements

The Company has a limited history of operating earnings and no assurances that sufficient funding, including adequate financing, will be available. The sources of funds currently available to the Company include; sale of marketable securities, raising equity or debt capital.

Composition of Portfolio

The composition of the Company's securities portfolio taken as a whole may vary widely from time to time, particularly equity securities in which the Company invests in the natural resource sector which often have very high volatilities. The Company may make investments in securities that have low trading volumes. Accordingly, it may be difficult for the Company to make trades in these securities without adversely affecting the price of such securities.

Stock Price and Performance

The Company's stock price may vary according to the value of the securities in which it invests, which will depend, in part, upon the performance of the issuers of such securities. The value of the securities acquired by the Company will be affected by business factors and risks that are beyond the control of the Company. In addition, the performance of certain of the securities may be affected by business factors and risks other than their exposure to metal and mineral prices, which may be more determinative of such securities performance. Some of the factor and risks are: (i) some of the issuers in which the Company invests may have limited operating histories, (ii) operational risks related to specific business activities of the respective issuers; (iii) quality of underlying assets; (iv) financial performance of the respective issuers and their competitors; (v) volatility in the price of metal and mineral prices; (vi) environmental risks; (vii) political risks; (viii) fluctuation in exchange rates; (ix) fluctuation in interest rates; and (x) government regulation, including regulation to prices, taxes, royalties, land tenure, land use, importing and exporting of materials and environmental protection.

There is no assurance that the investment objectives of the Company will actually be achieved. The value of the shares of the Company may increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Company's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

Key Management

The success of the Company will be largely dependent upon the performance of its key officers and consultants. The success of the Company is largely dependent on the discretion and ability of the Company in determining the composition of the portfolio of assets, and in negotiating the pricing and other terms of the agreements leading to the acquisition of assets. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

Conflict of Interest

Some of the Company's directors and officers are directors and officers of other reporting companies. These associations may give rise from time to time to conflicts of interest. As a result of, the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The ability to liquidate investments held by the Company in corporations with common director may be impaired by trading black-out periods imposed on insiders of such entities.

SUBSEQUENT EVENTS

The following events occurred subsequent to February 29, 2016:

1) On March 24, 2016, the Company declared an annual dividend of two cents ($0.02) per common share for the fiscal year ended November 30, 2015. The dividend was paid in cash on April 27, 2016 to shareholders of record on April 20, 2016. This is an eligible dividend for Canadian income tax purposes.

2) On April 11, 2016, 650,000 options to purchase shares at $0.20 were exercised for proceeds of $130,000.

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at April 28, 2016, there were 21,267,979 outstanding common shares compared to 20,773,979 outstanding shares at November 30, 2015.

The following table summarizes information regarding stock options outstanding and exercisable as at April 28, 2016:

Grant date	Expiry date	Number of options outstanding	Number of options exercisable	Exercise price	Remaining contractual life (years)
July 18, 2013	July 18,2016	475,000	475,000	$0.20	0.25
September 30, 2014	September 30, 2016	475,000	475,000	$0.20	0.46
January 29, 2016	January 29, 2018	450,000	450,000	$0.20	1.79
Total options		**1,400,000**	**1,400,000**		

There are no warrants outstanding as at April 28, 2016.

FORWARD-LOOKING INFORMATION

This document contains certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans" "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. In particular, the forward-looking statements in this MD&A include: (i) under the heading "*Outlook*" statements relating to the Company's capital expenditure plans for 2015; and (ii) under the heading "*Liquidity and Capital Resources*" the statement that the Company believes it has sufficient funds to fund its currently planned exploration and administrative budget through the balance of fiscal 2015. Further, information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Forward-looking statements involve numerous risks and uncertainties. Estimates and forward-looking statements are based on assumptions of future events and actual results may vary from these estimates The foregoing forward-looking statements are based on assumptions including that the Company will be able to identify potential assets for acquisition on terms that are satisfactory to the Company; that the execution of the Company's capital expenditure plans will remain in the best interests of the Company; that the Company will obtain all required regulatory approvals; and that the company will be able to source the required services (including drilling rigs) to execute its capital expenditure plans.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions and other factors discussed under the heading "*Risks and Uncertainties*". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.