ELYSEE DEVELOPMENT CORP.

Management's Discussion and Analysis
For the Six-month Period Ended June 30, 2022

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This management's discussion and analysis ("MD&A") of Elysee Development Corp. ("Elysee" or "the Company"), dated August 3, 2022 should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes for the six-month period ended June 30, 2022. 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.

CAUTION REGARDING 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 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 2022; and (ii) under the heading "*Liquidity and Capital Resources*" the statement that the Company believes it has sufficient funds to fund its currently planned administrative budget through the balance of fiscal 2022. 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.

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, 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.

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 the Company 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 the Company'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.

OVERVIEW AND OVERALL PERFORMANCE

The Company is an investment issuer with an actively managed investment portfolio of common shares and other securities.

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 goal is to seek returns through investments in the securities of other companies. The Company's primary investments have been in junior mining and exploration companies active in the gold and silver sector and other metals. Occasionally the Company invests in other sectors as well.

On June 30, 2022 the Company had assets of $14,961,029 and shareholder's equity was $14,956,418.

During the six-month period ended June 30, 2022 the Company invested over $3.1 million in private and publicly listed companies in the U.S. and Canada.

During the six-month period ended June 30, 2022 the Company experienced a reduction of the value of the investment portfolio due to lower equity prices. This resulted in a net and comprehensive loss of $2,695,944 as compared to net and comprehensive earnings of $2,102,800 during the six-month period ended June 30, 2021.

Overall there was an investment loss of $2,371,988 as compared to investment income of $2,291,491 during the six-month period ended June 30, 2021. This loss reflects the current bear market for mining companies and related industries and the international geopolitical and economic uncertainty.

There was a realized gain on the sale of marketable securities of $753,342 for the six-month period ended June 30, 2022 compared to $3,526,303 in the prior year.

There was an unrealized loss on marketable securities of $3,292,730 for the six-month period ended June 30, 2022 compared to an unrealized loss of $1,252,408 in the prior year.

The value of the warrants in the Company's portfolio decreased to $271,168 as at June 30, 2022 from $574,402 as at December 31, 2021. The fair market value is determined based on the Black-Scholes Pricing Model. The intrinsic value of the Company's investment warrants was $43,500 on June 30, 2022. The intrinsic value is equal to the difference between the market value of the underlying share less the exercise price of the warrant.

The net asset value of the Company was $0.53 per share using the Black-Scholes Pricing Model as compared to $0.52 per share using the intrinsic value for the investment warrants.

On March 1, 2022, the Company declared a dividend of $0.02 per common share based on the 2021 financial results. This dividend was paid on March 31, 2022 to shareholders of record on March 15, 2022 and is an eligible dividend for Canadian income tax purposes.

At December 31, 2021, the Company had unused tax losses and tax pools of approximately $4,800,000 available that may be used to offset taxes that would otherwise be payable on the Company's future comprehensive earnings. For more information, please refer to Note 9 of the audited annual financial statements for the year ended December 31, 2021 on the Company's web site and available at www.sedar.com.

SIGNIFICANT SECURITY INVESTMENTS

Management considers the Company's most significant investments during the six-month period ended June 30, 2022 to be as follows:

In Q2 2022, the Company reduced its holdings in several gold and silver miners including Agnico Eagle Mines Limited, B2 Gold Corp. and Cornish Metals Inc. among others.

During the second quarter of 2022, the Company subscribed for private placements in several mineral resource companies including Osisko Metal Incorporated, Reyna Silver Corp., Pure Gold Mining Inc., Canada Nickel Company Inc., First Uranium Resources Ltd. and Oroco Resource Corp.

Subsequent to the period, the Company's largest investment, U.S. Vanadium Holding Company LLC ("USV"), raised an additional US$5 million in equity from existing shareholders to expand production capacity at its Arkansas manufacturing facility in order to meet increased demand for ultra-high-purity electrolyte used in Vanadium Redox Flow Batteries ("**VRFBs**"). On this occasion, Elysee elected to convert its US$1 million convertible debenture into equity, increasing its equity interest in USV to 4.78%.

On May 5, 2022, 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 1,422,030 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 11, 2022 and will terminate on May 10, 2023, or such earlier time as the Bid is completed or at the option of the Company. Research Capital Corporation of Vancouver, B. C. will conduct the Bid on behalf of the Company. The Company purchased 75,500 of its common shares at a total cost of $47,549 pursuant to the normal course issuer bid from January 1, 2022 to June 30, 2022.

The Board of Directors of the Company believes that from time to time market prices for the Company's common shares do not always reflect the underlying value and that, accordingly, the purchase of common shares under the Bid will increase the Net Asset Value per share 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 sell their shares and will serve to stabilize the market price for the Company's shares.

OUTLOOK

At June 30, 2022 the Company's statement of financial position includes working capital of $11,752,687 inclusive of $995,180 of cash and $10,540,309 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 – SIX MONTHS ENDED JUNE 30, 2022

The Company's net and comprehensive loss for the six-month period ended June 30, 2022 was $2,695,944 ($0.09 basic loss per share) compared to net and comprehensive earnings of $2,102,800 ($0.08 basic earnings per share) for the six-month period ended June 30, 2021.

The significant changes in net and comprehensive earnings/loss during the current six-month period ended June 30, 2022 compared to the six-month period ended June 30, 2021 are as follows:

There was a realized gain on the sale of marketable securities of $753,342 for the six-month period ended June 30, 2022 compared to $3,526,303 in the prior year. Transactions costs of $15,120 were recognized for the six-month period ended June 30, 2022 compared to $54,687 in the prior year.

There was an unrealized loss on marketable securities of $3,292,730 for the six-month period ended June 30, 2022 compared to an unrealized loss of $1,252,408 in the prior year.

Interest and dividend income increased $112,682 to $180,927 for the six-month period ended June 30, 2022, compared to $68,245 during the prior year as several additional convertible debentures were acquired.

Consulting fees of $18,900 were incurred during the six-month period ended June 30, 2022 as compared to $Nil during the prior year as a Vice-president of Administration was hired in the first quarter of 2022.

There was a share-based payment expense of $110,169, a non-cash item, on stock options granted and vested during the six-month period ended June 30, 2022 as compared to $3,455 during the same period a year prior. 50% of the options vested immediately and 50% will vest on May 17, 2023.

Travel and entertainment costs increased $4,284 to $4,944 for the six-month period ended June 30, 2022 to investigate various investment opportunities and attend a trade show as compared to $660 during the prior year.

All other general and administrative costs were comparable to those incurred in the six-month period a year prior.

RESULTS OF OPERATIONS – THREE MONTHS ENDED JUNE 30, 2022

The Company's net and comprehensive loss for the three-month period ended June 30, 2022 was $3,424,423 ($0.12 basic loss per share) compared to net and comprehensive earnings of $2,049,529 ($0.07 basic earnings per share) for the three-month period ended June 30, 2021.

The significant changes in net and comprehensive earnings/loss during the current three-month period ended June 30, 2022 compared to the three-month period ended June 30, 2021 are as follows:

There was a realized gain on the sale of marketable securities of $234,035 for the three-month period ended June 30, 2022 compared to $1,433,215 in the prior year. Transactions costs of $4,432 were recognized for the three-month period ended June 30, 2022 compared to $19,580 in the prior year.

There was an unrealized loss on marketable securities of $3,527,374 for the three-month period ended June 30, 2022 compared to an unrealized gain of $687,336 in the prior year.

Interest and dividend income increased $51,480 to $85,383 for the three-month period ended June 30, 2022, compared to $33,903 during the prior year as several additional convertible debentures were acquired.

Consulting fees of $12,600 were incurred during the three-month period ended June 30, 2022 as compared to $Nil during the prior year as a Vice-president of Administration was hired in early 2022.

Legal and accounting costs increased $6,704 to $25,604 for the three-month period ended June 30, 2022, compared to $18,900 during the prior year as auditing costs increased.

There was a share-based payment expense of $110,169, a non-cash item, on stock options granted and vested during the three-month period ended June 30, 2022 as compared to $1,466 during the same period a year prior. 50% of the options vested immediately and 50% will vest on May 17, 2023.

All other general and administrative costs were comparable to those incurred in the three-month period a year prior.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's quarterly financial statements for the past eight quarters:

Quarter Ended	Net and Comprehensive Earnings (Loss)	Basic Earnings (Loss) per Share
June 30, 2022 (Q2, 2022)	$(3,424,423)	$(0.12)
March 31, 2022 (Q1, 2022)	$728,479	$0.03
December 31, 2021 (Q4, 2021)	$48,782	$0.00
September 30, 2021 (Q3, 2021)	$(2,113,923)	$(0.08)
June 30, 2021 (Q2, 2021)	$2,049,529	$0.07
March 31, 2021 (Q1, 2021)	$53,271	$0.00
December 31, 2020 (Q4, 2020)	$1,308,771	$0.05
September 30, 2020 (Q3, 2020)	$2,330,345	$0.09

The Company's net and comprehensive earnings fluctuate significantly from quarter to quarter depending on the valuation of its marketable securities. The marketable securities are based on the fair market value of the underlying shares and the warrant valuations are based on the Black-Scholes Option Pricing Model. These fair value measurements can change dramatically depending on the price of the underlying securities and other observable inputs.

The Company's net and comprehensive loss was $3,424,423 for the three-month period ended June 30, 2022 (Q2, 2022) and was mainly the result of a $3,527,374 unrealized loss on marketable securities due to overall market conditions, $4,432 in transaction costs and $215,618 in general and administrative expenses offset by a $234,035 realized gain on marketable securities, a $3,583 unrealized foreign exchange gain and $85,383 of interest income.

The Company's net and comprehensive earnings were $728,479 for the three-month period ended March 31, 2022 (Q1, 2022) and was mainly the result of a $519,307 realized gain on marketable securities, a $234,644 unrealized gain on marketable securities and $95,544 of interest income, offset by $10,688 in transaction costs, a $1,989 unrealized foreign exchange loss and $108,339 in general and administrative expenses.

The Company's net and comprehensive earnings were $48,782 for the three-month period ended December 31, 2021 (Q4, 2021) and was mainly the result of a $412,269 realized gain on marketable securities and $66,614 of interest income, offset by $5,717 in transaction costs, a $186,230 unrealized loss on marketable securities, a $9,930 unrealized foreign exchange loss and $228,224 in general and administrative expenses.

The Company's net and comprehensive loss was $2,113,923 for the three-month period ended September 30, 2021 (Q3, 2021) and was mainly the result of a $2,405,228 unrealized loss on marketable securities due to overall market conditions, $10,063 in transaction costs and $91,200 in general and administrative expenses offset by a $292,287 realized gain on marketable securities, $82,370 of interest income and a $17,911 unrealized foreign exchange gain.

The Company's net and comprehensive earnings were $2,049,529 for the three-month period ended June 30, 2021 (Q2, 2021) and were mainly comprised of a $1,433,215 realized gain on marketable securities, $687,336 unrealized gain on marketable securities, $33,903 of interest income and a $5,363 unrealized foreign exchange gain offset by a $19,580 in transaction costs and $90,708 in general and administrative expenses.

The Company's net and comprehensive earnings were $53,271 for the three-month period ended March 31, 2021 (Q1, 2021) and were mainly comprised of a $2,093,088 realized gain on marketable securities and $34,342 of interest income offset by a $1,939,744 unrealized loss on marketable securities, $35,107 in transaction costs, a $1,324 unrealized foreign exchange loss and $97,984 in general and administrative expenses.

The Company's net and comprehensive earnings were $1,308,771 for the three-month period ended December 31, 2020 (Q4, 2020) and were mainly comprised of a $1,252,857 realized gain on marketable securities, $501,090 unrealized gain on marketable securities and $31,404 interest income offset by a $34 unrealized foreign exchange loss, a $71,103 write-down of a private company investment and $405,443 in general and administrative expenses.

The Company's net and comprehensive earnings were $2,330,345 for the three-month period ended September 30, 2020 (Q3, 2020) and were mainly comprised of a $2,030,005 realized gain on marketable securities, $423,036 unrealized gain on marketable securities, $35,987 of interest income and a $1,035 unrealized foreign exchange gain offset by $159,718 in general and administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on its working capital and equity financings to fund its investing and administrative costs.

As at June 30, 2022, the Company had working capital of $11,752,687 mainly comprised of cash of $995,180 and $10,540,309 of marketable securities. This compares to working capital of $15,258,963 at December 31, 2021, which included $1,629,312 in cash and marketable securities of $13,591,111.

The decrease in cash of $634,132 during the six-month period ended June 30, 2022 was mainly due to the purchase of $3,175,610 of marketable securities, payment of dividends of $567,952 and purchase of common shares returned to treasury of $47,549 offset by the proceeds of $3,296,905 received pursuant to the sale of marketable securities and $70,000 from the exercise of stock options.

Total assets at June 30, 2022 decreased to $14,961,029 from $18,226,007 at December 31, 2021.

As at the date of this MD&A, the Company has approximately $800,000 in cash.

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, Gaston Reymenants, Stuart Rogers and Martin Burian. Stuart Rogers is the Company's President, Guido Cloetens is the Company's Chairman and Chief Executive Officer and Gord Steblin is the Company's Chief Financial Officer.

The Company paid amounts to related parties as follows:

	Six-month period ended June 30, 2022	Six-month period ended June 30, 2021
Management fees	$ 87,000	$ 82,500
Accounting fees	32,000	30,000
Director fees	6,000	6,000
	$125,000	$118,500

During the six-month period ended June 30, 2022, the Company paid $15,000 (six-month period ended June 30, 2021 - $15,000) for office rent to a company controlled by the Chief Executive Officer.

The amounts owing to directors and other members of key management were as follows:

	As at	
	June 30, 2022	December 31, 2021
Management and directors	$ Nil	$ 90,000

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 fair value measurements for financial instruments, 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 six-month period ended June 30, 2022, 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 are included in Note 2 of the condensed consolidated interim financial statements and are not expected to impact the Company in a significant manner.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

	June 30, 2022	December 31, 2021
FINANCIAL ASSETS		
Fair value through profit or loss		
Cash	$ 995,180	$ 1,629,312
Marketable securities	10,540,309	13,591,111
Investments in private companies	3,203,731	2,828,731
Amortized cost		
Interest receivable	212,902	171,311
Total financial assets	$ 14,952,122	$ 18,220,465
FINANCIAL LIABILITIES		
Amortized cost		
Trade and other payables	$ 4,611	$ 48,313
Due to related parties	-	90,000
Total financial liabilities	$ 4,611	$ 138,313

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 $271,168 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.

	Level 1	Level 2	Level 3	Total
As at June 30, 2022				
Cash	$995,180	$ -	$ -	$ 995,180
Marketable securities – shares	8,352,565	-	-	8,352,565
Marketable securities - convertible debt	1,916,576	-	-	1,916,576
Investments in private companies - shares	-	-	1,052,452	1,052,452
Investments in private companies - convertible debt	-	-	2,151,279	2,151,279
Marketable securities – warrants	-	271,168	-	271,168
Total financial assets at fair value	$ 11,264,321	$ 271,168	$3,203,731	$ 14,739,220

	Level 1	Level 2	Level 3	Total
As at December 31, 2021				
Cash	$1,629,312	$ -	$ -	$ 1,629,312
Marketable securities – shares	11,004,935	-	-	11,004,935
Marketable securities - convertible debt	2,011,774	-	-	2,011,774
Investments in private companies - shares	-	-	1,052,452	1,052,452
Investments in private companies - convertible debt	-	-	1,776,279	1,776,279
Marketable securities – warrants	-	574,402	-	574,402
Total financial assets at fair value	$ 14,646,021	$ 574,402	$2,828,731	$ 18,049,154

Management of financial risks

The financial risks arising from the Company's operations include credit risk, liquidity risk, interest rate risk, currency risk and market 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 receivables. The Company manages its credit risk relating to cash by dealing only with highly-rated Canadian financial institutions. As at June 30, 2022, there is interest receivable of $212,902 (December 31, 2021 - $171,311). 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 of $995,180 (December 31, 2021 - $1,629,312) to settle current liabilities of $4,611 (December 31, 2021 - $138,313), therefore liquidity risk is considered insignificant.

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash 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. 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 $5,000 for the six-month period ended June 30, 2022. (June 30, 2021 - $17,000).

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 in Canadian dollars. 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.

Market risk

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its marketable securities and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily in junior exploration and mining companies active in the gold and silver sector as well as several technology companies.

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.

Public Health Crises

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises beyond its control, including the current outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a global health emergency. Many governments have likewise declared that the COVID-19 outbreak in their jurisdictions constitutes an emergency. Reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, business closures, quarantines and a general reduction in economic activity. While these effects are expected to be temporary, the duration of the business disruptions and related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for various products and services, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak. While the extent to which COVID-19 may impact the Company is uncertain, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition

SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the Company repurchased 50,000 common shares of the Company pursuant to its Normal Course Issuer Bid, which will be returned to treasury.

On July 28, 2022, U.S. Vanadium Holding Company LLC ("USV') closed a US$5,000,000 capital raise which was subscribed for by USV's largest shareholders. At the same time Elysee converted a US$1,000,000 debenture + interest to equity. As a result, Elysee now holds an equity interest of 4.78% in USV. The Company's total investment in USV is now US$2,110,786 (Cdn$2,789,419) with a book value of US$1,635,786 (Cdn$2,156,603).

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at August 3, 2022, there were 28,447,113 outstanding common shares.

The following table summarizes information regarding stock options outstanding and exercisable as at August 3, 2022:

Grant date	Expiry date	Number of options outstanding	Number of options exercisable	Exercise price
August 30, 2019	August 30, 2022	50,000	50,000	$ 0.35
May 20, 2020	May 20, 2023	300,000	300,000	$ 0.31
September 18, 2020	September 18, 2025	500,000	500,000	$0.42
May 17, 2022	May 17, 2027	1,050,000	525,000	$0.70
Total options		**1,900,000**	**1,375,000**	

There were no warrants outstanding as at June 30, 2022 or August 3, 2022.