CYPRESS DEVELOPMENT CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED – DECEMBER 31, 2017

This Management Discussion and Analysis of Cypress Development Corp. (the "Company") provides an analysis of the Company's financial results for the year ended December 31, 2017. The following information should be read in conjunction with the accompanying audited consolidated financial statements and notes to the audited consolidated financial statements.

The Company reports in accordance with International Financial Reporting Standards ("IFRS") and the following disclosure, and audited consolidated financial statements, are presented in accordance with IFRS. These statements are filed with the relevant regulatory authorities in Canada. All monetary amounts are expressed in Canadian dollars, unless otherwise specified.

Forward Looking Information and Date of Report April 3, 2018

This MD&A contains certain forward-looking information. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of Cypress Development Corp., is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and future events and actual results could differ materially from those anticipated in the forward-looking information.

The forward-looking information is only provided as of the date of this MD&A, April 3, 2018 (the "Report Date").

Overall Performance

Nature of Business and Overall Performance

Cypress Development Corp. is a public company listed on the TSX Venture Exchange under the symbol "CYP". The Company is an exploration stage company that is engaged principally in acquisition, exploration and development of its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for the mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production.

Exploration and Evaluation Assets

Developments on the properties are as follows:

As at December 31, 2017 the Company has capitalized total exploration and evaluation assets of $1,008,300 on its four mineral properties, all located in the state of Nevada, USA. Of the total amount, $984,086 relates to deferred exploration expenditures.

Glory Lithium Project, Clayton Valley, Nevada, USA

The Company made cash payments of $50,689 (US$37,500) and issued 600,000 shares of the Company valued at $45,000 with respect to the option agreement. As at December 31, 2017, the Company incurred $143,301 net in exploration expenditures and acquisition costs. The $170,431 gain on option-out was recorded in fiscal 2016 on the statements of loss and comprehensive loss, net with the above finders' fees.

Two Additional Claims Added to Clayton Valley Land Position

The Company has acquired and added, via staking, 2 additional claims to its Clayton Valley land position. The two mineral claims are located in the south west corner and add an additional 40 acres to the Cypress land package. The two claims titled "Angel" 12 and 13 are located to the immediate southeast of Pure Energy's CV-2 lithium brine well. The two claims are ideally located as they abut the defined north resource area of Pure Energy Minerals and are considered highly prospective for lithium brines in existing subsurface aquifers, known to exist below the mineralized claystone.

Drilling Results

On November 16, 2016, the Company announced that it has received results from a property wide grid sampling program.

Highlights:

- 239 Glory samples were collected on a systematic 100m X 100m grid
- 133 Glory samples assayed greater than 900 ppm Li
- New Glory zone discovered with a high grade of 3830 ppm Li
- Several open zones of 1400 to >2000 ppm Li have been identified
- 3 km long by 1 ½ km wide zone of strong lithium mineralization is present at surface on the Glory property
- Data supports that the lithium is from uplifted and exposed lake bed sediments
- Grid sample results definitively confirm earlier samples reported by Cypress

Cypress Development Cancels Glory Property Option Agreement with Pure Energy

Cypress Development Corp. announced on August 23, 2017 that it has cancelled the Glory Property Option Agreement, dated August 22, 2016, with Pure Energy Minerals for failure, by Pure Energy, to spend the required property exploration expenditures. The Company received written notice of the termination from Pure Energy on August 24, 2017.

Cypress Commences Drilling at Clayton Valley Lithium Project, Nevada

Cypress Development Corp. announced on October 19, 2017 that it has commenced drilling on its Clayton Valley Lithium Project, located just east of Albemarle's Silver Peak lithium brine operation in the heart of Clayton Valley.

Cypress plans to drill 12 holes totalling 4,000 feet of NQ-size core. The 2017 fall program will be divided between Cypress' contiguous Glory and Dean claim blocks, which cover an area totalling 4,220 acres and are 100% controlled by Cypress. Drilling will be completed by Morningstar Drilling of Three Forks, Montana. A drill is at the site and the first hole was collared on the Dean claims.

To date, all of Cypress' drilling has been on the Dean claims, where a 9-hole program was completed earlier this year. All nine holes encountered significant values within claystone, which ranged up to 1790 ppm lithium and averaged 900 ppm lithium (or 0.48% Lithium Carbonate Equivalent) throughout the average drill-depth of 243 feet for all nine holes. The program covered a large area, measuring roughly 12,000 feet in length by 4,000 feet in width, and the lithium-bearing claystone is considered open in all directions.

Cypress Provides Drilling Update at Clayton Valley Lithium Project in Nevada

The fall 2017 program was planned for 12 to 14 drill holes, totaling up to 1500 meters of NQ-size core, to be divided between Cypress' contiguous Dean and Glory properties. The two properties cover an area totaling 4,220 acres and are 100 per cent controlled by Cypress. So far, in the fall program, the Company has completed five holes on the Dean property. These holes were drilled on two east-west fences, about one kilometer apart and with 400 meters between the holes. With this spacing, and another nine holes drilled earlier this year, the Company anticipates establishing several kilometers of continuous lithium mineralization across the property. All the core from these five holes has been logged, split and submitted to an assay laboratory for analysis. The Company expects to receive assay results later this month or in December. Geology and structure seen in all five holes are consistent with the drill results obtained on the Dean property earlier this year.

TABLE. Summary of Spring 2017 Dean Property Drill Holes

		Intersection (m)			**Lithium Values (ppm Li)**		
Drill Hole		**From**	**To**	**Length**	**Min**	**Max**	**Avg**
DCH-01	(1)	4.5	36	31.5	900	1760	1146
DCH-02		0.5	112.2	111.7	350	1580	847
DCH-03		0.3	76.8	76.5	290	1190	860
DCH-04	(2)	1.5	72.5	71.0	660	1640	1051
DCH-05		0.1	79.9	79.8	550	1460	1063
DCH-06	(3)	0.6	39.0	38.4	500	1150	903
DCH-07		1.8	78.6	76.8	530	1250	777
DCH-08		0.5	75.6	75.1	430	1220	714
DCH-09		0.0	106.1	106.1	150	1490	903
			Average	**74**			**900**

*Notes: ppm=parts per million, Avg=Average, M=Meters, From is depth from surface.
(1) DCH-1 was lost and ended in 1340 ppm Li
(2) DCH-4 ended in 930 ppm Li
(3) DCH-6 was lost and ended in 1040 ppm Li

Geological Description of the Clayton Valley, Nevada:

The geology of the Clayton Valley in Nevada is best summarized as being what is essential to have formed the largest lithium production center in North America. Lithium has been produced from surface and subsurface brines since 1967. Though other important contributions from other geologists have occurred over many years, Cypress is largely responsible for the realization that most of the lithium in the Clayton Valley remains untouched and appears to represent an important, potentially long term supply of lithium. This resource is not contained in brine, but in fact sits exposed at surface along the east margin of the basin.

An overview of some important geological features of the Clayton Valley include:

1. The Clayton Valley is a topographically closed basin, not a Valley. No water escapes the Clayton Valley except by evaporation. Evaporation has resulted in the trapping and concentration of lithium within the basin.
2. The Clayton Valley has been undergoing tectonic subsidence for the last one million years.
3. Volcanic ash from active volcanic vents in the region has accumulated to substantial thicknesses as the basin continually sags lower. This ash has settled into a layered sequence that is >1000 meters thick.
4. The upper 100 to 200 meters of the ash rich stratigraphy are highly enriched in lithium, not solely in ground water aquifers, but also pervasively through the basin sediments themselves.

5. The basin fill ash rich sediments are exposed at surface only along the east margin of the basin. The Cypress land position dominates this uplifted, well mineralized exposure.

Cypress Drills 102.7 meters of 1029 ppm Lithium in Clayton Valley, Nevada

Cypress Development Corp. announced on December 5, 2017 results from the Company's first three holes completed in its fall, 2017 drill program at its 100%-owned Dean and Glory Lithium properties in Clayton Valley, Nevada. The results include an intersection of 102.7 meters of 1029 ppm Li within DCH-11 on the Dean property.

Cypress has completed five core holes in its fall program on the Dean property. The results summarized here are from the first three holes, DCH-10, -11 and -12. Results from the remaining holes on Dean are expected in December, and will aide in determining where additional drilling is needed. In the meantime, as previously announced, the drill rig was moved south onto the adjoining Glory property where drilling is continuing and seven holes are planned.

Dean Drilling Highlights:

- The intersection in DCH-11 of 102.7 meters of 1029 ppm Li demonstrates continuity over a large thickness of claystone, and extending north from the south end of Dean.
- DCH-10, 400 meters to the southeast of Hole DCH-11, intersected 63.5 meters of 1014 ppm Li. The hole was abandoned due to ground conditions and ended in 1068 ppm Li. Mineralization here remains open at depth and to the east.
- In DCH-10, dark green to black ash-rich mudstones were encountered at a depth of 53.4 meters, which averaged 1367 ppm Li over 10 meters and included one meter of 2240 ppm Li. This is the first time Cypress has encountered these dark mudstones in drilling.
- DCH-11 included an interval of consistently higher grades over 36.9 meters, starting at a depth of 8.2 meters. Samples here averaged 1308 ppm Li over 36.9 meters and suggest a higher-grade zone may exist within the overall northeast trend.
- All holes to date clearly show a large, tabular, lithium-bearing formation underlying the Dean Property.
- Drilling has now outlined a large area of mineralization of approximately. 4 kilometers in length and 2 kilometers in width at Dean.
- Laboratory work continues to test the solubility of the lithium-enriched claystone under varying conditions and reagents.

2017 Dean & Glory Projects, Clayton Valley, Nevada drill hole map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp-dean-and-glory-drillingsm.jpg

TABLE. Summary of Dean Drill Holes DCH 10, 11 and 12

	Intersection (m)			**Lithium Values (ppm Li)**		
Drill Hole	**From**	**To**	**Length**	**Min**	**Max**	**Avg**
DCH-10	0.8	64.3 *	63.5	482	2240	1014
includes	53.4	63.4	10.0	1048	2240	1367
DCH-11	0.3	103.0	102.7	546	1737	1029
includes	8.2	45.1	36.9	1101	1737	1308
DCH-12	0.6	63.4	62.8	475	992	677

Notes: ppm=parts per million, m=meters, Avg equals average weighted value by sample length. * DCH-10 ends in 1068 ppm Li.

Dean Claims, Clayton Valley, Nevada, USA

On September 8th, 2016 Cypress entered into an agreement to acquire a 100% interest in a 2nd Clayton Valley lithium project. The 2,700 acre "Dean" Lithium Brine/Clay Project is located immediately adjacent to the Albemarle's Silver Peak Mine on the west boundary, Pure Energy Minerals project on its southwest boundary and Cypress' existing Clayton Valley Project on its southern boundary.

Terms of the Option Agreement to purchase a 100% interest in the claims are as follow:

Year 1. $30,000 USD cash and 250,000 shares of Cypress
(paid CDN$39,564 & issued 250,000 shares valued at $35,000)
Year 2. $30,000 USD cash and 250,000 shares of Cypress
(paid CDN$36,477 & issued 250,000 shares valued at $26,250)
Year 3. $30,000 USD cash and 250,000 shares of Cypress
Year 4. $50,000 USD cash and 300,000 shares of Cypress

The Optionor will retain an NSR (net smelter return) of 3% with Cypress having the right to purchase 2/3 (66.6%) of the NSR for $1,000,000. There is no work commitment attached to this Option Agreement.

As at December 31, 2017 the Company has incurred $137,291 in acquisition costs ($76,041 in cash and 500,000 shares valued at $61,250) and $459,770 in exploration expenditures.

Cypress Drills 210 feet of 1140 ppm Lithium at Dean Project in Clayton Valley, Nevada

The five drill holes clearly show that a very large, tabular, lithium mineralized formation underlies the Dean property. All five holes reported here have intersected continuous, consistent grades of lithium mineralization of +1,000 ppm on average. The NQ core drilled exhibits excellent recovery of nearly 100%.

HOLE ID	From	To	Interval Thickness	Li Grade ppm
DCH-01	14.5 Feet	118 Feet	103.5 Feet	1145.9 ppm Li
DCH-02	1.5 Feet	368 Feet	366.5 Feet	846.9 ppm Li
Including	1.5 Feet	178 Feet	176.5 Feet	1007.5 ppm Li
DCH-03	1.0 Feet	251 Feet	250.0 Feet	860.4 ppm Li
DCH-04	1.5 Feet	238 Feet	236.5 Feet	1051.0 ppm Li
DCH-05	48.0 Feet	258 Feet	210.0 Feet	1139.5 ppm Li

*Li Grade is the average grade from continuous sample assays taken on 10 foot intervals.

An east-west section of approximately 4,000 feet has been explored at nominal 1,000 foot intervals in holes DCH-01 to DCH-05. Average mineralized thickness indicated by the downhole assay data is greater than 220 feet. All intercepts start at near surface.

Lithium mineralization appears to thicken and increase in grade towards the eastern portion of the Dean Project, as evidenced by the results received to date of the most easterly hole DCH-05.

Cypress Announces Remainder of Phase 1 Drill Results from the Dean Lithium Project in Clayton Valley, Nevada

The Company announced on June 20, 2017, further to its News Releases on June 6th and May 15th, that the Company has received final assay results from a 2017 Phase 1 core drilling program completed at Cypress' 100% held 2,700 acre Dean Lithium Project in Clayton Valley, Nevada.

Highlights:

- Results for step-out Dean drill holes DCH 6, 7 and 8 are being reported here;
- All vertical mineralized intercepts at Dean start at near surface;
- Drill data to date outline a mineralized zone of roughly 4 km x 2 km;
- The thick, tabular zone of pervasive lithium mineralization is considered to be open in all directions;
- Targeting of more core drill holes is being planned;
- Laboratory studies continue to explore the highly soluble and reactive nature of the large volume of lithium-enriched rock seen outcropping at Dean.

White Pine Claims (Gunman Zinc Project), Eureka, Nevada, USA

During the latter part of fiscal 2013, the Company decided to recommence activity on the property. As at December 31, 2017 the Company has incurred $441,623 in exploration expenditures to which $173,685 in option monies received have been applied against.

The Company entered into an option agreement on March 23, 2017 with Silcom Systems Inc. ("Silcom") which provides Silcom an earn-in option to acquire an initial 51% interest in Cypress' 100% owned Gunman zinc-silver property located in White Pine County, Nevada. Under the agreement, Silcom will issue 1,500,000 listed common shares and make cash payments of US$300,000 and incur exploration expenditure totaling US$1,850,000 over the three year term of the first agreement.

Cypress has granted Silcom a second option to acquire an additional 29% interest in the Gunman Property by issuing 500,000 listed common shares and making a cash payment of $250,000 USD within 90 days of Silcom satisfying and exercising the first option and incurring additional exploration expenditures totaling $1,100,000 USD within 12 months.

Upon completion by Silcom of the two option agreements and the issuance of all the shares and cash payments and completion of all work commitments set out above, Silcom shall have earned an 80% interest in the Gunman Property, subject to an underlying 2% net royalty interest.

The agreement is subject to TSX Venture Exchange acceptance and the shares of Silcom obtaining a Canadian stock exchange listing.

Highlights as at December 31, 2017

- Completed a National Instrument 43-101 Technical Report on the Gunman zinc-silver project, Nevada
- Completed a Phase 1 RC drill program on the Gunman zinc-silver project on the RH Zone
- Phase 1 results include Hole GMRC-9 assaying 175 foot interval that grades 121.0 g/t silver and 12.0% zinc starting at a 50 foot depth.
- Completed a Phase 2 RC drill program on the Gunman zinc-silver project on the RH Zone
- Phase 2 results include Hole GMRC-16 assaying 230 foot interval that grades 83.4 g/t silver and 13.4% zinc starting at surface.
- Doubled size of Gunman, Nevada land package

- Completed a detailed surface sampling program (zinc, silver, copper) on the Gunman, Nevada RH South Target
- Purchased high resolution airborne magnetometer survey data over the Gunman, Nevada project area

Cypress completed thirteen reverse circulation (RC) drill holes in May 2014 at the Gunman zinc-silver project in eastern White Pine County, Nevada. The drilling program totaled 3,520 feet and was directed at three targets areas located in the central portion of the property.

Pasinex Signs Option to Acquire 80% of White Pine Claims, in Nevada, USA

On December 5, 2017, the Company granted an option to Pasinex Resources Limited (through its wholly-owned subsidiary Pasinex Resources Nevada Limited) and Silcom Systems Inc. to earn up to an 80% interest in the property. In essence, Pasinex has acquired the option by honouring the terms of Silcom's original option agreement, to acquire an 80% interest in the White Pines Project.

To acquire an initial 51% interest in the property, Pasinex is required to issue 600,000 listed common shares and make cash payments of US$700,000 to the Company and incur exploration expenditures totaling US$1,850,000 over the three year term of the first agreement. Pasinex is also required to pay US$100,000 and issue 4,000,000 listed common shares to Silcom.

The Company has granted the optionee a second option to acquire an additional 29% interest by issuing 200,000 listed common shares and making a cash payment of US$250,000 after satisfying and exercising the first option and incurring additional exploration expenditures totaling US$1,100,000 within 12 months.

Upon completion of the second option, issuance of all the shares and cash payments and completion of all work commitments, the optionee shall have earned an 80% interest in the property, subject to an underlying 2% net royalty interest.

During fiscal 2017, the Company received 200,000 Pasinex shares valued at $42,000. (Note 4)

McKenzie Island Claims, Ontario, Canada

The Company entered into a mineral property purchase agreement on August 8, 2016 to sell its 100% right, title and interest in the property including the vendor's royalty for the sum of $35,000. (received)

Selected Annual Information

		Years Ended December 31 (audited)		
	Fiscal year	**2017**	**2016**	**2015**
(a)	Interest income	$ 859	$ -	$ 785
(b)	Loss for the year	$ 1,141,359	$ 1,165,839	$ 542,020
(c)	Loss per share: Basic - Fully Diluted -	 $ 0.03 $ 0.03	 $ 0.05 $ 0.05	 $ 0.03 $ 0.03
(d)	Total Assets	$ 2,524,347	$ 1,307,813	$ 1,094,397
(e)	Long Term Debt	$ -	$ -	$ -
(f)	Total Exploration and Evaluation Assets	$ 1,008,300	$ 573,280	$ 1,028,121

During the years 2015 to 2017, the Company received interest income on cash equivalents and guaranteed investment certificates. The interest amounts earned fluctuate with changing amounts on deposit and with changing interest rates. These interest amounts are, in any event, not material, and are merely used to offset administrative operating expenses. The fluctuation in such income to December 31, 2017 from the previous year mainly reflects the increase or decrease in amounts held on deposit during that year.

December 31, 2017 Compared With December 31, 2016

Private Placements

During fiscal 2017, the Company:

On October 17, 2017, the Company completed a private placement to raise $1,416,484 by the issuance of 14,164,840 units at a price of $0.10 per unit. Each unit consists of one common share and one non-transferrable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.13 per share for a period of two years, expiring on October 17, 2019.

In connection with the financing, the Company issued a total of 455,700 finder warrants on the same terms as the subscription warrants. Aggregate finders' fees of $45,570 cash and other fees of $16,388 have been paid in connection with this financing.

During fiscal 2016, the Company:

In March 2016, the Company issued 6,000,000 units at $0.05 per unit for gross proceeds of $300,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire one additional common share at a price of $0.055 per share for a period of five years from the date of issuance.

Finder's fees of $10,983 cash and 174,650 finder's warrants have been paid in connection with part of this offering. The agent warrants are subject to the same terms and conditions as the subscriber warrant.

On June 29, 2016, the Company completed a private placement to raise $108,460 by the issuance of 903,833 units at a price of $0.12 per unit. Each unit consists of one common share and one non-transferrable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.15 per share for a period of one year, expiring on July 29, 2017. During fiscal 2017, the warrants were extended for a one year period, to expire on July 29, 2018.

Finder's fees of $1,401 cash and 910 agent's warrants have been paid in connection this offering. The agent warrants are subject to the same terms and conditions as the subscriber warrant.

In December, 2016, the Company issued 4,400,000 units at $0.10 per unit to raise gross proceeds of $440,000. Each unit consists of one common share and one non-transferrable share purchase warrant which entitles the holder to purchase one additional common share at a price of $0.125 per share for a period of three years from the date of issuance.

Finder's fees of $6,300 cash and 28,000 agent's warrants have been paid in connection this offering. The agent warrants are subject to the same terms and conditions as the subscriber warrant.

Revenue

The Company is in the exploration and development stage and does not usually generate any revenue other than interest income on cash equivalents and guaranteed investment certificates.

Interest income for the year ended December 31, 2017 was $859 (2016 - $Nil). The increase of $859 is attributable to higher cash equivalents invested during fiscal 2017 as compared to fiscal 2016.

Loss for the Year

For the year ended December 31, 2017, the Company reported a loss of $1,141,359 or a $0.03 loss per share. Comparatively, the Company had a loss of $1,165,839 or a $0.05 loss per share in 2016. The Company's expenses of $1,091,017 (2016 - $666,698) increased by $424,319 compared to the previous year. The increase in the current year is due largely to the significant increase in share-based compensation expense (2017 - $330,966; 2016 - $224,348), a non-cash item. Without the inclusion of this expense, total expenses would be $760,051 (2016 - $442,350), an increase of $317,701 in the current year. Expenses such as shareholder information, consulting fees, transfer agent and filing fees and travel and promotion may vary as the year in which they occur may vary from one year to another. Shareholder information increases or decreases as the Company increases or decreases its advertising in trade magazines, on the internet and purchases more or less promotional materials as a result of the current market situation.

Effective April 1, 2016, the 15% administrative fee was no longer charged by the private company, which provided office and administrative services to the Company.

In fiscal 2016, the Company realized a $135,166 gain on an exploration and evaluation assets option-out which related to option monies received in excess of expenditures on the Clayton Valley, Nevada "Glory" property.

The Company entered into a mineral property purchase agreement on August 8, 2016 to sell its 100% right, title and interest including the vendor's royalty in the McKenzie Island claims located in Ontario, Canada for proceeds of $35,000. As a result, the Company recognized a loss on sale of exploration and evaluation asset of $543,307 on the statement of loss and comprehensive loss in fiscal 2016.

In fiscal 2017, the Company wrote-off its Alkali, Nevada exploration and evaluation asset. (2016 - $Nil)

The Company recorded a loss on sale of marketable securities of $22,645 (2016 - $Nil) with proceeds of $176,855 (2016 - $Nil) on the sale of 350,000 shares of Pure Energy Minerals Limited.

The Company had an unrealized loss on marketable securities of $Nil in the current year (2016 - $91,000).

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

The Company incurred exploration and development expenditures of $Nil (2016 - $2,634) on its Ontario, Canada claims, $513,926 (2016 - $230,099) on its Nevada, USA claims. The Company incurred $123,335 (2016 - $109,645) in acquisition costs and received $173,685 (2016 - $35,081) in option payments on the Nevada, USA property.

Due to the Company's focus on exploration, rather than on mining operations, an annual profit or loss is not currently a meaningful measure of the Company's performance or value.

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and is charged an administration fee of $Nil (2016 - $7,110) representing 15% of the costs incurred.

Included in receivables and prepaid expenses at December 31, 2017 is $31,693 (2016 - $4,407) due from the private company.

Included in accounts payable at December 31, 2017 is $75,554 (2016 - $Nil) due to directors and/or their companies.

During fiscal 2016, the Company received and repaid $65,000 from a demand loan payable to the private company. Interest was at 3% per month, calculated monthly.

Effective June 30th, 2016, the privately owned company, will no longer be providing administrative services to the Company.

On July 1, 2016, the Company commenced administrative services with another private company with a common director. No administrative fees are charged for this service.

The Company granted 1,990,000 stock options in fiscal 2017 (2016 – 2,640,000) resulting in a stock-based compensation expense of $330,966 (2016 - $224,348).

December 31, 2016 Compared With December 31, 2015

Private Placements

During fiscal 2016, the Company:

In March 2016, the Company issued 6,000,000 units at $0.05 per unit for gross proceeds of $300,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire one additional common share at a price of $0.055 per share for a period of five years from the date of issuance.

Finder's fees of $10,983 cash and 174,650 finder's warrants have been paid in connection with part of this offering. The agent warrants are subject to the same terms and conditions as the subscriber warrant.

On June 29, 2016, the Company completed a private placement to raise $108,460 by the issuance of 903,833 units at a price of $0.12 per unit. Each unit consists of one common share and one non-transferrable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.15 per share for a period of one year, expiring on July 29, 2017. During fiscal 2017, the warrants were extended for a one year period, to expire on July 29, 2018.

Finder's fees of $1,401 cash and 910 agent's warrants have been paid in connection this offering. The agent warrants are subject to the same terms and conditions as the subscriber warrant.

In December, 2016, the Company issued 4,400,000 units at $0.10 per unit to raise gross proceeds of $440,000. Each unit consists of one common share and one non-transferrable share purchase warrant which entitles the holder to purchase one additional common share at a price of $0.125 per share for a period of three years from the date of issuance.

Finder's fees of $6,300 cash and 28,000 agent's warrants have been paid in connection this offering. The agent warrants are subject to the same terms and conditions as the subscriber warrant.

During fiscal 2015, the Company:

Issued 2,700,000 units at $0.05 per unit for proceeds of $135,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire one additional common share at $0.07 expiring on July 9, 2020.

Finder's fees consisted of $700 cash and other fees of $1,450 in connection with this financing and 14,000 agent warrants (valued at $Nil). The agent warrants are subject to the same terms and conditions as the subscriber warrants.

Revenue

The Company is in the exploration and development stage and does not usually generate any revenue other than interest income on cash equivalents and guaranteed investment certificates.

Interest income for the year ended December 31, 2016 was $Nil (2015 - $785). The decrease of $785 is attributable to lower cash equivalents invested during fiscal 2016 as compared to fiscal 2015.

Loss for the Year

For the year ended December 31, 2016, the Company reported a net loss of $1,165,839 or a $0.05 loss per share. Comparatively, the Company had a loss of $542,020 or a $0.03 loss per share in 2015. The Company's expenses of $666,698 (2015 - $534,613) increased by $132,085 compared to the previous year. The increase in the current year is due largely to the significant increase in share-based compensation expense (2016 - $224,348; 2015 - $8,983), a non-cash item. Without the inclusion of this expense, total expenses would be $442,350 (2015 - $525,630), a decrease of $83,280 in the current year. Most of the expenses decreased or remained fairly similar in as compared to the previous year. Effective April 1, 2016, the 15% administrative fee was no longer charged by the private company, which provided office and administrative services to the Company. Administrative expense decreased significantly as a result.

The Company realized a $135,166 gain on an exploration and evaluation assets option-out which related to option monies received in excess of expenditures on the Clayton Valley, Nevada "Glory" property.

The Company entered into a mineral property purchase agreement on August 8, 2016 to sell its 100% right, title and interest including the vendor's royalty in the McKenzie Island claims located in Ontario, Canada for proceeds of $35,000. As a result, the Company recognized a loss on sale of exploration and evaluation asset of $543,307 through the statement of loss and comprehensive loss.

In fiscal 2016, the Company wrote-off $Nil in exploration and evaluation assets (2015 - $8,268 in Nevada, USA - Twenty-one claims and $17,981 in Oregon, USA - Frost Gold claims).

The Company also had an unrealized loss on marketable securities of $91,000 in the current year (2015 – unrealized gain of $28,000). In fiscal 2015, the Company received net proceeds of $117,072 (2016 - $Nil) from the sale of 50,000 Premier Gold Mines Limited shares (2016 - Nil) which resulted in a loss on sale of marketable securities of $5,428 (2016 - $Nil).

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

The Company incurred exploration and development expenditures of $2,634 (2015 - $11,322) on its Ontario, Canada claims, $230,099 (2015 - $87,533) on its Nevada, USA claims and $Nil (2015 - $7,131) on its Oregon, USA claims.

Due to the Company's focus on exploration, rather than on mining operations, an annual profit or loss is not currently a meaningful measure of the Company's performance or value.

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and was charged an administration fee of $7,110 (2015 - $46,223) representing 15% of the costs incurred.

Effective June 30th, 2016, the privately owned company, will no longer be providing administrative services to the Company.

On July 1, 2016, the Company commenced administrative services with another private company with a common director. No administrative fees are charged for this service.

Included in receivables and prepaid expenses at December 31, 2016 is $4,407 (2015 - $Nil) due from the private company.

Included in accounts payable at December 31, 2016 is $Nil (2015 - $1,579) due to the private company.

The Company granted 2,640,000 stock options in fiscal 2016 (2015 - nil) resulting in a stock-based compensation expense of $224,348 (2015 - $Nil). However, during fiscal 2015, the Company repriced the 1,100,000 options granted in fiscal 2014 from $0.50 to $0.08. This resulted in a share-based compensation expense of $8,983.

Summary of Quarterly Results

		4th (3 months)	**3rd (3 months)**	**2nd (3 months)**	**1st (3 months)**
		December 31, 2017	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
(a)	Revenue - interest	$ 859	$ -	$ -	$ -
(b)	Net (loss)	$ (728,170)	$ (153,344)	$ (119,984)	$ (139,861)
(c)	Net (loss) per share:				
	Basic -	$ (0.019)	$ (0.004)	$ (0.003)	$ (0.004)
	Fully Diluted -	$ (0.019)	$ (0.004)	$ (0.003)	$ (0.004)

		4th (3 months)	**3rd (3 months)**	**2nd (3 months)**	**1st (3 months)**
		December 31, 2016	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**
(a)	Revenue - interest	$ -	$ -	$ -	$ -
(b)	Net (loss)	$ (119,666)	$ (728,202)	$ (223,685)	$ (94,286)
(c)	Net (loss) per share:				
	Basic -	$ (0.005)	$ (0.032)	$ (0.011)	$ (0.005)
	Fully Diluted -	$ (0.005)	$ (0.032)	$ (0.011)	$ (0.005)

For the Quarter Ended December 31, 2017

The Company is in the exploration and development stage and does not usually generate any revenue other than interest income on cash equivalents and guaranteed investment certificates.

For the quarter ended December 31, 2017, the Company reported a net loss of $728,170 or a $0.019 loss per share. Comparatively, the Company had a loss of $119,666 or a $0.005 loss per share during the same quarter in 2016.

The Company's total expenses of $700,474 (2016 - $188,332) increased by $512,140 as compared to the same quarter in the previous year. Share-based compensation expense (2017 - $305,382; 2016 - $107,186), is a non-cash item. Without the inclusion of share-based compensation, total expenses would have been $395,092 (2016 - $81,146), an increase of $313,943 in the current quarter.

Expenses such as accounting and audit, shareholder communications, transfer agent and filing fees and travel may vary quarter to quarter as the quarter in which they occur may vary from one quarter and year to another. Shareholder communications (2017 - $129,928; 2016 - $18,070) increases or decreases as the Company increases or decreases its advertising in trade magazines, on the internet and purchases more or less promotional materials as a result of the current market situation. Consulting fees vary with the amount of activity in the Company.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

Liquidity and Capital Resources

In management's view, given the nature of the Company's operations, which consist of exploration and evaluation of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing its properties.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company's control, including the market value of the metals to be produced. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

At December 31, 2017 the Company had cash of $1,153,926 compared to $450,289 at December 31, 2016. The Company generated $1,416,484 and $496,212 in gross proceeds from a private placement and the exercise of options and warrants respectively (2016 - $848,460 and $215,058). Working capital was $1,309,273 at December 31, 2017 as compared to working capital of $637,977 at December 31, 2016.

The Company's cash position at December 31, 2016 was $450,289. As a result of expenditures incurred during the current year for general business expenses; the receipt of $1,912,696 in proceeds from the issuance of shares, $176,855 from the sale of marketable securities, $131,685 from option payments; expenditures in exploration and evaluation assets of $555,557; the increase in receivables and prepaid expenses of $217,811, in due from related party of $27,287 and in accounts payable and accrued liabilities of $61,772; the Company's cash position at December 31, 2017 was $1,153,926.

The Company has historically met all cash requirements for operation by equity financing. Future funding needs of the Company are dependent upon the Company's continued ability to obtain equity and/or debt financing to meet its financial obligations and to pursue further exploration on its properties.

Off-Balance Sheet Arrangements

At December 31, 2017, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with Related Parties

The aggregate amount of expenditures paid or payable to key management personnel consisting of directors, former directors or companies with common directors was as follows:

	2017	2016
Charged to profit and loss for consulting fees	$ 182,281	$ 80,108
Capitalized to exploration and evaluation assets	102,775	-
Share-based payments	194,163	112,793
	$ 479,219	$ 192,901

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and is charged an administration fee of $Nil (2016 - $7,110) representing 15% of the costs incurred.

Included in receivables and prepaid expenses at December 31, 2017 is $31,693 (2016 - $4,407) due from the private company.

Included in accounts payable at December 31, 2017 is $75,554 (2016 - $Nil) due to directors and/or their companies.

During fiscal 2016, the Company received and repaid $65,000 from a demand loan payable to the private company. Interest was at 3% per month, calculated monthly.

Effective June 30th, 2016, the privately owned company, will no longer be providing administrative services to the Company.

On July 1, 2016, the Company commenced administrative services with another private company with a common director. No administrative fees are charged for this service.

New accounting standards and interpretations

Certain new standards, interpretations and amendments to existing have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2017, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristic of the financial assets. This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 – Leases require lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

Subsequent Events

The following events occurred subsequent to December 31, 2017:

Cypress Drills 107 meters of 1134 ppm Lithium, Expands Mineralized Zone in Clayton Valley, Nevada

Cypress Development Corp. announced on January 9, 2018 results from two more core holes from the Company's Clayton Valley, Nevada drill program. Today's results include an intersection of 107 meters of 1134 ppm Li within hole DCH-13 and 76 meters of 733 ppm Li within hole DCH-14, both located on the Dean property. Hole DCH-13 represents one of the longest and higher grade drill results from the property to date as Cypress continues to expand the lithium mineralized zone.

Cypress Clayton Valley, Nevada Lithium Project location map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3548/cyp-clayton-topo-satalite-small.jpg

Drilling Highlights:

- The intersections reported are the weighted average of all core recovered in each hole, from surface to the end of the hole. The results continue to demonstrate the presence of lithium mineralization over a large thickness of claystone.
- The two holes are located in between the fence of holes in DCH-10, -11 and -12, to the southwest and DCH-09, to the northeast, and support the observed continuity of mineralization over a long northeast trend, extending approximately 4 kilometers in length and 2 kilometers in width across the Dean property.
- In DCH-13, the lithium values increased at depth, starting 24.8 meters below surface, and averaging 1206 ppm Li over 88.4 meters.
- DCH-13 ended in 3.0 meters of 912 ppm Li. The hole was terminated due to operating constraints and remains open at depth.
- The grade increase was observed coincident with a redox boundary, where material above the boundary is oxidized and light grey in color, and material below the boundary it is reduced and dark grey and green to black in color. This redox boundary has been observed at similar depth from surface in other drill holes.
- Drilling in the fall 2017 program has been completed, with 4 holes drilled on the Glory property to the south. Results from these holes are anticipated later in the month.

2017 Dean & Glory Projects, Clayton Valley, Nevada drill hole map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp-dean-and-glory-drillingsm.jpg

TABLE. Summary of Dean Drill Holes DCH 13 and 14

	Intersection (m)			**Lithium Values (ppm Li)**		
Drill Hole	**From**	**To**	**Length**	**Min**	**Max**	**Avg**
DCH-13	5.5	112.2	106.7	588	1828	1134
includes	24.8	112.2	88.4	728	1828	1206
includes	42.6	74.9	32.3	1014	1828	1481
DCH-14	2.9	78.6	75.7	442	1023	733

Notes: ppm=parts per million, m=meters, Avg=average weighted value by sample length.

Laboratory Test Work

Extraction studies are underway to determine the solubility of the lithium and other mineral constituents within the claystone. Representative samples of oxidized and reduced material from DCH-05 were delivered to SGS in Lakefield, Ontario. These initial bench-scale scoping tests revealed moderate extractions of lithium in sulfuric acid solution, increasing to 74% in both sample types with increasing temperatures. The extractions were achieved with relatively low additions of sulfuric acid for lithium-bearing claystone deposits, measured at a rate of 140 kg to 170 kg of acid per tonne of material. The results are encouraging and clearly indicate that the extractions and acid consumptions of the Cypress' Clayton Valley claystone are significantly better than seen in refractory claystone deposits. Further test work is underway to improve the results by refining the leach conditions, checking for any mineralogical variability across the properties, and determining methods of recovery of the lithium from the leach solutions.

Summary of Leach Tests

Test ID	Sample ID	Head Assay ppm Li	Temp °C	Extraction (%) Li
OL-02	Oxidized	860	room	39
RL-02	Reduced	1100	room	55
OL-06	Oxidized	860	80°	74
RL-06	Reduced	1100	80°	74

Samples were ground to minus-10 mesh and leached with a solution of 5% sulfuric acid for 4 hours at 10% solids. The leach solution was monitored but no additional sulfuric acid was required to maintain the pH below 1.0. The mixture was then filtered and rinsed and residue and solutions submitted for assay.

Resource Definition

The Company is reviewing drill results. Additional holes are planned for the first quarter of 2018 to infill and connect the Dean and Glory areas of drilling. The Company anticipates the further work will support a resource estimation and preliminary economic assessment (PEA) upon completion of the drilling, metallurgical studies and gathering necessary economic data.

Cypress believes its lithium-bearing claystone deposit in Clayton Valley, which is located due east of Albemarle's Silver Peak lithium brine operation, has the potential to become a significant source of lithium. The Company is working to advance the project into development by following its program of exploration drilling and metallurgy. Cypress is very active in Nevada, with its geological team focused on systematically exploring its properties for lithium.

Robert Marvin, B.Sc., PGeo, VP of Exploration and Director of Cypress Development Corp., is the qualified person as defined by National Instrument 43-101 and has approved of the technical information in this release.

Cypress Expands Lithium Trend by over 2 Kilometers at Clayton Valley Project, Nevada

Cypress Development Corp. reported on February 7, 2018, results from the first four core holes on the Glory claims at the Company's 100% held project in Clayton Valley, Nevada. The drilling extends the trend of lithium mineralization by more than 2 kilometers south and west from the Dean claims, where, as previously reported, 14 drill holes in 2017 encountered lithium-bearing claystone over an area averaging 4 kilometers by 2 kilometers and averaging 78 meters in depth. The four holes reported today represent the first drilling on the Glory claims. All four holes encountered lithium values averaging from 600 to 900 ppm Li from surface to depths up to 60 meters.

Clayton Valley Project Location Map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3548/cyp-clayton-topo-satalite-small.jpg

Highlights:

- Lithium values were encountered in all 4 core holes at Glory, including 47.5 meters of 927ppm Li in GCH-04
- The results extend the trend of mineralization by more than 2 kilometers south and west of Dean, further demonstrating the large lateral extents of the lithium-bearing claystone
- Given success of its drill program, Cypress will recommence drilling shortly with details forthcoming
- An independent resource estimate is underway

Drill Hole Location Map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp_dean_and_glory_geology_mapsm.jpg

TABLE. Summary of Glory Drill Holes GCH-1 to GCH-4:

Glory Hole	From	To	Length	Min Li	Max Li	Li Average
	(m)	(m)	(m)	(ppm)	(ppm)	(ppm)
Hole GCH-1	0	32.9	32.9	446	761	606
Hole GCH-2	0	39.0	39.0	166	1213	702
Hole GCH-3	1.5	60.4	58.8	308	972	659
Hole GCH-4	3.7	51.2	47.5	498	1276	927

Notes: Li=Lithium Metal, ppm=parts per million, m=meters, Average is weighted value by sample length. All samples were submitted to Bureau Veritas in Reno, Nevada, for analysis. Blind sample blanks were inserted into the sample sequences at a rate of approximately 1 per 20 samples.

New Technical Report and Upcoming Drill Program at Clayton Valley Project:

In related activity, the Company has engaged Global Resource Engineers, of Denver, Colorado, to prepare a resource estimate for the Dean property. A NI 43-101 Technical Report on the geology and drilling of Dean has been completed and will be filed on SEDAR. Metallurgical testing, as reported in a previous press release on January 9th, has shown the lithium in Dean core is soluble in a solution of sulfuric acid. Testing is continuing at two independent labs, using Dean core from holes DCH-2 and DCH-5. Further results are expected to be reported this month.

Given the success of this recently completed drill program, the Company will recommence drilling shortly on Dean. Further details of this upcoming drill program are forthcoming.

Robert Marvin, B.Sc., PGeo, VP of Exploration and Director of Cypress Development Corp., is the qualified person as defined by National Instrument 43-101 and has approved of the technical information in this release.

Cypress Resumes Drilling at Clayton Valley Lithium Project, Nevada

Cypress Development Corp. announced on February 13, 2018, drilling has resumed at the Company's 100% owned lithium project in Clayton Valley, Nevada.

Clayton Valley Project Location Map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3548/cyp-clayton-topo-satalite-small.jpg

The first holes will be drilled on the Dean property, where, in 2017, 14 holes intersected lithium-bearing claystone to depths of 112 meters below surface. As announced in the Feb. 7th press release, an independent consulting firm, Global Resource Engineers (GRE), of Denver, Colorado, is engaged to prepare a resource estimate and accompanying technical report based on the 2017 drill results. A site visit has taken place, during which split core samples were selected for check assays and select surface samples were twinned under the direction of a GRE geologist. Additional work is underway.

Drill Hole Location Map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp_dean_and_glory_geology_mapsm.jpg

After review of the 2017 drilling, the initial three holes of this program are to be in the southeast corner of the Dean property. One hole will test continuity between two fence lines in previous drilling, another will be drilled near DCH-10, which was terminated in mineralization due-to poor ground conditions, and the final will step-out towards the southeast corner of the claim block. Drilling is expected to be completed by early March and the results included by GRE in the resource estimate.

Upon completion of the drilling on Dean, an additional five to seven holes are planned to further target the Glory property. As reported in the February 7th news release, the first four holes drilled on Glory extended the trend of mineralization south and west from Dean by over 2 kilometers. The next holes on Glory will focus on defining mineralization in the eastern half of the property south of the higher grade holes on Dean.

Robert Marvin, B.Sc., PGeo, VP of Exploration and Director of Cypress Development Corp., is the qualified person as defined by National Instrument 43-101 and has approved of the technical information in this news release.

Cypress Confirms Leach Results for Clayton Valley Lithium Project in Nevada

Cypress Development Corp. announced on February 20, 2018 additional results that confirm the high solubility of lithium in claystone from its 100%-owned Clayton Valley Project in Nevada.

Clayton Valley Project Location Map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3548/cyp-clayton-topo-satalite-small.jpg

As previously reported (January 9, 2018 press release), lithium extractions of 74% were obtained for both oxidized and reduced claystone samples from drill core from hole DCH-05, leached in a solution of 5% sulfuric acid heated to 80°C. Subsequent tests reported today show lithium extractions of 67% for the oxidized claystone and 80% for the reduced claystone sample, leached under identical conditions but using a solution of 10% sulfuric acid heated to 50°C. These results are in line with previous results and continue to demonstrate the solubility of lithium found in the subsurface claystone at Clayton Valley using sulfuric acid. An opportunity to improve extractions by adjusting leach conditions is now also apparent.

The Company is also pleased to report core drilling is underway and the first of three additional holes, DCH-15, was completed to a depth of 127 meters, and encountered oxidized and reduced claystone types throughout. As previously announced, this hole was located to test the continuity between two fence lines of holes from the previous drilling. Drilling of the next two holes is expected to be completed by early March and the results included in the upcoming resource estimate.

Drill Hole Location Map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp_dean_and_glory_geology_mapsm.jpg

Cypress' Lithium Project

Cypress' primary focus is the Company's Dean and Glory claim blocks, located in Clayton Valley, Nevada, immediately east of Albemarle's Silver Peak mine, North America's only lithium brine operation. Recent exploration by Cypress has discovered an extensive deposit of lithium-bearing claystone, which has been tested by drilling over a seven-kilometer trend across Cypress' 4200-acre properties.

The lithium mineralization is contained within interbedded lacustrine (lake basin) stratigraphy. These lake bed, volcanic ash rich claystone have been uplifted to their present outcropping position by movement along the Angle Island fault, a typical Walker Lane style shear zone with both lateral and vertical movement. Lithium content of the claystone was found to range up to 3800 ppm on surface. In Cypress' drilling, the claystone values are between 300 and 1700 ppm Li over thicknesses of up to 112 meters. In most of Cypress' holes, a redox boundary has been encountered. This change occurs at depths of between 20 to 30 meters and is seen where claystone above the boundary is oxidized and light grey in color and claystone below is reduced and dark grey and green to black in color. Composite samples for metallurgical tests were prepared recognizing the redox boundary and designated as Oxidized Sample if above the redox boundary or Reduced Sample if below it.

Laboratory Test Work

The Company is continuing laboratory work to determine the solubility of the lithium and other mineral constituents within the claystone. Initial tests were conducted in 2017. The Company reported at the time that a portion of the lithium is water soluble from simple assay-level tests. Bench-scale testing began in August 2017, when representative samples of oxidized and reduced material from hole DCH-05 were delivered to SGS in Lakefield, Ontario. The primary observation from these tests is the lithium in the subsurface material, at least from DCH-05 core, is almost totally insoluble in water. This contradicts the previously reported tests, which only utilized surface sample material, and suggests the water-soluble lithium occurs as a product of surficial weathering.

Further tests were completed at SGS using various acids and conditions, with the best results occurring in sulfuric acid. In these tests, extractions of 74% were achieved in both the oxidized and reduced samples. These tests used the following conditions, ground to minus-10 mesh, leached for 4 hours at 10% solids in 5% sulfuric acid and heated to 80°C. These extractions were achieved with relatively low acid additions, measured at 140 kg to 170 kg of sulfuric acid per tonne of material, and clearly contrast with the low extractions and high acid consumptions seen in hectorite-bearing claystone deposits.

Present Results

Further tests were conducted at SGS on the core from DCH-05. Following the observation where temperature set to 80°C showed a positive affect and increased the solubility of lithium significantly, subsequent tests were done with the temperature reduced to 50°C and acid concentration increased to 10%. These changes produced a mixed result, reducing the extraction in the oxidized sample to 67% (test OL-07), while increasing the extraction in the reduced sample to 80% (test RL-11). The results are consistent with the previous tests (OL-06 and RL-06), confirming the solubility of the lithium with sulfuric acid for DCH-05 core, and demonstrating the opportunity to improve extractions by adjusting leach conditions. An additional test was done on the reduced material to generate a time-extraction curve, shown below, which shows dissolution of the lithium is relatively fast, reaching 50% in the first hour, and may continue to increase beyond 4 hours.

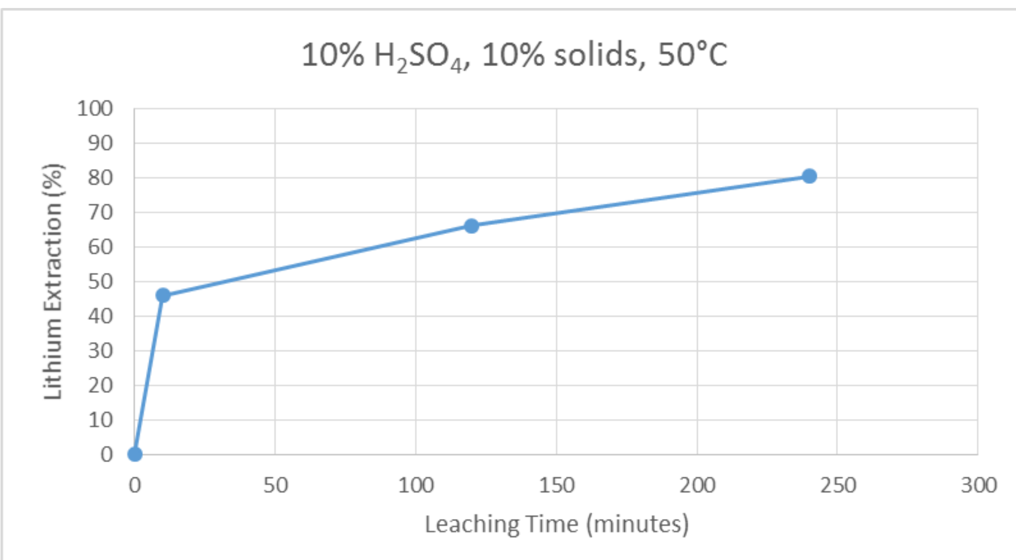
Further tests are ongoing with the following goals: 1) refining the leach conditions, 2) checking for mineralogical variability from hole to hole, and 3) determining effective means of recovering the lithium from the leach solutions. In December, samples were sent to a second independent laboratory, Continental Metallurgical Services, in Butte, Montana. The two samples were composites of oxidized and reduced intervals from hole DCH-02. A one-hour leach of these samples, using 10% sulfuric acid at 10% solids and 50°C, returned lithium extractions of 62% and 65%, respectively. These results, if plotted on the extraction curve from hole DCH-05, plot somewhat higher, possibly indicating differences do exist in mineralogy from hole to hole, or other difference in laboratory conditions, such as intensity of agitation during leaching. The results are consistent, however, with the observation that the lithium in the subsurface claystone can be leached with high levels of extraction in sulfuric acid.

Summary of Leach Tests

Test ID	Sample Type	Head Assay ppm Li	Temp °C	Extraction (%) Li
OL-02	Oxidized	860	room	39
RL-02	Reduced	1100	room	55
OL-06	Oxidized	860	80°	74
RL-06	Reduced	1100	80°	74
OL-07	Oxidized	860	50°	67
RL-11	Reduced	1100	50°	80
Li-A2	Oxidized	1020	50°	62
Li-A1	Reduced	972	50°	65

Samples were ground to minus-10 mesh and leached with a solution of 5% sulfuric acid for 4 hours at 10% solids. OL and RL series samples were core from DCH-05, tested at SGS and leached for 4 hours. Samples Li-A1 and Li-A2 were core from DCH-02, tested at Continental Metallurgical Services, and leached for 1 hour. In all tests, the leach solution was monitored but no additional sulfuric acid was required to maintain an acidic pH. The mixture was then filtered and rinsed with residue and solutions submitted for assay.

Extraction Curve for Reduced Sample, DCH-05



Todd Fayram, MMSA QP #1300, President of Continental Metallurgical Services, LLC, is the qualified person as defined by National Instrument 43-101 and has approved of the technical information in this news release.

Cypress Files NI 43-101 Technical Report for Dean Lithium Project in Clayton Valley, Nevada

Cypress Development Corp. announced on February 21, 2018 that the Company has filed a National Instrument 43-101 Technical Report on SEDAR for its 100%-owned Dean Clayton Valley Lithium Project in Nevada.

Clayton Valley Project Location Map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3548/cyp-clayton-topo-satalite-small.jpg

The Technical Report on the geology and drilling of the Dean Project has been completed and filed on SEDAR at www.sedar.com and is titled DEAN LITHIUM PROJECT NATIONAL INSTRUMENT 43-101 TECHNICAL REPORT, dated February 3, 2018, and prepared by Robert Marvin, B.Sc., PGeo.

The Report has also been posted on Cypress Development's web site and can be viewed here: https://www.cypressdevelopmentcorp.com/site/assets/files/3731/final-final-feb-17-2018-tech-report-dean project.pdf

Robert Marvin, B.Sc., PGeo, VP of Exploration and Director of Cypress Development Corp., is the qualified person as defined by National Instrument 43-101 and has prepared and approved of the technical information in this report.

Cypress Drills 121 meters of 1146 ppm Lithium, Expands Mineralized Zone in Clayton Valley, Nevada

On March 13, 2018, the Company announced results from two additional core holes, DCH-15 and DCH-16, at the Company's Clayton Valley, Nevada lithium project. Today's results include intersections of 126 meters averaging 1068 ppm Li in DCH-15 and 121 meters averaging 1146 ppm Li in DCH-16. The two intersections, located in the southeastern corner of the Dean property, are the best the Company has drilled to date in terms of contained lithium, and are significantly positive results as Cypress closes in on completing work on a maiden resource estimate.

Cypress Clayton Valley, Nevada Lithium Project location map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3548/cyp-clayton-topo-satalite-small.jpg

Drilling Highlights:

- The intersection of 126 meters of 1068 ppm Li in DCH-15 is significant in successfully demonstrating continuity of lithium mineralization between drill holes, namely between DCH-10, 510 meters to the northeast, which returned an intersection of 64 meters averaging 1014 ppm Li, and DCH-05 550 meters to the southwest, which returned 80 meters of 1063 ppm Li.

- DCH-15 and DCH-16 were both extended deeper than most of the previous 14 holes on the Dean property thanks to the experience gained by the driller, Morningstar Drilling of Three Forks, Montana, in coring the soft mudstones. The result was an increase of 50% to 100% in the length of lithium mineralization observed in nearby holes DCH-05 and DCH-10.

- DCH-16 was drilled 70 meters southeast of DCH-10. The hole was located relatively close to DCH-10 to confirm the mineralization observed in DCH-10, and to also determine if the lithium values might continue to depth. DCH-10 was abandoned at a depth of 64 meters due to difficult drilling conditions, ending in 3 meters of 1048 ppm Li. The intersection of 121 meters of 1146 ppm Li both confirms the values in DCH-10 and clearly was successful in extending the depth of mineralization in this location.

- Drilling is continuing. One further hole, DCH-17, has been completed on Dean and is pending assays. Another hole, GCH-05, is nearing completion on Glory claims, where at least one additional hole is planned before month end. These results along with the previous drilling on Dean are expected to be incorporated in the Company's ongoing resource estimate, which is expected to be completed soon after final assays are received.

2017 Dean & Glory Projects, Clayton Valley, Nevada drill hole map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp-dean-and-glory-drillingsm.jpg

TABLE. Summary of Dean Drill Holes DCH 15 and 16

	Intersection (m)			Lithium Values (ppm Li)		
Drill Hole	**From**	**To**	**Length**	**Min**	**Max**	**Avg**
DCH-15	1.5	127.4	125.9	482	1782	1068
DCH-16	1.2	122.5	121.3	599	1869	1146

Notes: ppm=parts per million, m=meters, Avg=average weighted value by sample length.

Robert Marvin, B.Sc., PGeo, VP of Exploration and Director of Cypress Development Corp., is the qualified person as defined by National Instrument 43-101 and has approved of the technical information in this release.

Cypress Completes Drilling at Clayton Valley, Nevada with 97 meters of 1,144 ppm Lithium

The Company announced on April 3, 2018, results from the last three holes drilled at the Company's Clayton Valley lithium project in Nevada. Today's results include an intersection of 97 meters averaging 1,144 ppm Li in the final hole, GCH-6, along with intersections of 122.4 meters averaging 977 ppm Li in DCH-17 and 129.5 meters averaging 767 ppm Li in GCH-5. The Company has completed its drilling program, and is awaiting the results of an independent resource estimate currently underway.

Cypress Clayton Valley, Nevada Lithium Project location map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3548/cyp-clayton-topo-satalite-small.jpg

Drilling Highlights:

- All three holes show consistency in encountered Li grade with the Company's previous 20 holes drilled on the Dean and Glory properties.
- DCH-17, with 122.4 meters of 977 ppm Li, demonstrates the extension of lithium mineralization into the southeast corner of Dean. This intersection is comparable to the intersections in previous holes, DCH-15 and DCH-16, to the north and west.
- GCH-5 and GCH-6 demonstrate the extension of lithium mineralization south, into the eastern portion of Glory. The intersection of lithium in GCH-5, with 129.5 meters of 767 ppm Li, is the thickest drilled-to-date at the project.
- These three holes, as with all 20 previous holes, remain open at depth, with DCH-17 ending in 797 ppm Li, GCH-5 in 665 ppm Li, and GCH-6 in 752 ppm Li.
- A full table of Clayton Valley drill results can be found here:
- https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp_drill_hole_table_for_clayton_valley-_nevada.jpg

2017 Dean & Glory Projects, Clayton Valley, Nevada drill hole map:
https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp_dean_glory_dill_hole_map_march_2018.jpg

TABLE. Summary of Clayton Valley Project Drill Holes DCH-17, GCH-5 and GCH-6

	Intersection (m)			Lithium Values (ppm Li)		
Drill Hole	**From**	**To**	**Length**	**Min**	**Max**	**Average**
DCH-17	2.0	124.4	122.4	548	1539	977
GCH-5	0.0	129.5	129.5	410	1298	767
GCH-6	3.0	100.0	97.0	699	1609	1144

Notes: Li=Lithium Metal, ppm=parts per million, m=meters, Average is weighted value by sample length. All samples were submitted to Bureau Veritas in Reno, Nevada, for analysis. Blind sample blanks and standards were inserted into the sample sequences at a rate of approximately 1 per 20 samples.

With the completion of these three holes, the Company has concluded its current drilling on the Dean and Glory properties. All 23 of the Company's drill holes will be incorporated in an independent resource estimate currently underway. The results of the resource estimate are expected later this month.

Daniel Kalmbach, CPG and consulting geologist to Cypress Development Corp., is the qualified person as defined by National Instrument 43-101 and has approved the technical information in this release.

Director Resignation

Robert Marvin resigned as a director and vice-president of exploration effective March 31, 2018.

Financial Instruments and Other Risks

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities.

The Company does not use derivative instruments to reduce its exposure to foreign exchange risk. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

In conducting business, the principal risks and uncertainties faced by the Company center on exploration and development and metal prices and market sentiment. Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure or easy access.

The prices of metals fluctuate and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies.

The Company relies on equity financing for its working capital requirements and to fund its exploration programs. The Company does not have sufficient funds to put any of its resource interests into production from its own financial resources. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

The Company's business is highly uncertain and risky by its very nature. The two most significant risks for the Company are:

1) The chances of finding an economic ore body are extremely small;

2) The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them. Other risk factors include the establishment of undisputed title to mineral properties, environmental concerns and the obtaining of governmental permits and licenses when required. Success is totally dependent upon the knowledge and expertise of management and employees and their ability to identify and advance attractive exploration projects and targets from grass roots to more advanced stages.

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Even if an ore body is discovered, there is no assurance that it will ever reach production.

While it is impossible to eliminate all of the risks associated with exploration and mining, it is management's intention to manage its affairs, to the extent possible, to ensure that the Company's assets are protected and that its efforts will result in increased shareholder value.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at December 31, 2017, the Company had a cash balance of $1,153,926 (2016 - $450,289) to settle current liabilities of $151,978 (2016 - $42,039). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In addition to cash and interest-bearing deposits with banks of $653,067 (2016 - $450,289) as of December 31, 2017, the Company has $500,000 (2016 - $Nil) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of $859 (2016 - $Nil). A 1% change in interest rates would have an effect of $5,000 (2016 - $Nil) on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In addition to cash in US bank accounts of $7,056 (2016 - $66,336) as of December 31, 2017, the Company has $60,064 (2016 - $21,792) in liabilities to

US payees. A 1% change in foreign exchange rates would have an effect of $71 (2016 - $445) on foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Proposed Transactions

The Company has no proposed transactions.

Additional Information

Additional information with respect to the Company is also available on the Company's website at www.cypressdevelopmentcorp.com and also on SEDAR at www.sedar.com

Management's Responsibility for Financial Statements,

The Company's management is responsible for presentation and preparation of the interim financial statements and the Management's Discussion and Analysis.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Share Capital

As at the report date of April 3, 2018 the following were outstanding:

Share capital – issued and outstanding	56,529,445
Options	4,984,000
Warrants	17,613,998
Shares held in escrow	Nil