

CYPRESS DEVELOPMENT CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

NINE MONTHS ENDED – SEPTEMBER 30, 2019

This Management Discussion and Analysis of Cypress Development Corp. (the “Company”) provides an analysis of the Company’s financial results for the period ended September 30, 2019. The following information should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and notes to the unaudited condensed consolidated interim financial statements.

The Company reports in accordance with International Financial Reporting Standards (“IFRS”) and the following disclosure, and unaudited condensed consolidated interim 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

November 28, 2019

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, November 28, 2019 (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.

Annual General Meeting

The Company held its 2019 Annual General Meeting for shareholders at the offices of the Company at Suite 1610, 777 Dunsmuir Street, Vancouver, BC on Monday, July 15 at 11:00 a.m. (Vancouver Time).

Exploration and Evaluation Assets

Developments on the properties are as follows:

As at September 30, 2019 the Company has capitalized total exploration and evaluation assets of \$3,623,059 on its mineral properties, all located in the state of Nevada, USA.

Dean Claims, Nevada, USA

On September 8th, 2016 Cypress entered into an agreement to acquire a 100% interest in the 2700 acre Dean Lithium Property in Clayton Valley.

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
(paid CDN\$39,460 & issued 250,000 shares valued at \$100,000)
- Year 4. \$50,000 USD cash and 300,000 shares of Cypress
(paid CDN\$66,445 & issued 300,000 shares valued at \$30,000)

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 September 30, 2019 the Company has incurred \$373,196 in acquisition costs (\$181,946 in cash and 1,050,000 shares valued at \$191,250) and \$674,294 in exploration expenditures.

Glory Claims, Nevada, USA

Cypress Completes Purchase of Glory Lithium Property in Nevada

On January 26th, 2016 Cypress entered into an agreement to acquire a 100% interest in the 1280 acre Glory Lithium Property in Clayton Valley.

On January 28, 2019, the Company announced that, through the Company's U.S. subsidiary, Cypress Holdings (Nevada) Ltd., the Company has fulfilled its obligations for the purchase of 100% interest in the Glory Property in Esmeralda County, Nevada. The Company completed the purchase on schedule with a cash payment of USD \$75,000 and issuance of 250,000 common shares of Cypress (CYP) shares to the vendor. The vendor retains a 3% net smelter return (NSR) royalty interest. Cypress or its assigns has the right to purchase two-thirds of the royalty, or 2% NSR, for USD \$1 million prior to production.

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

During the latter part of fiscal 2013, the Company decided to recommence activity on the property. The Company has a 100% interest in certain claims located in White Pine County, Nevada. The Company incurred and capitalized \$121,191 in deferred exploration expenditures as at September 30, 2019, net of \$320,432 received in option payments. The property is subject to a 2% NSR.

The Company entered into an option agreement on March 23, 2017 which provides the optionee (Caliber Minerals Inc. formerly Silcom Systems Inc.) with an earn-in option to acquire an initial 51% interest in the property. Under the agreement, the optionee was required to issue 1,500,000 listed common shares, make cash payments of US\$300,000 (US\$50,000 received) and incur exploration expenditures totaling US\$1,850,000 over the three-year term of the first agreement. The Company granted the optionee a second option to acquire an additional 29% interest by issuing 500,000 listed common shares and making a cash payment of US\$250,000 within 90 days of 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.

On December 5, 2017, the Company entered into an option agreement with Pasinex Resources Limited (through its subsidiary Pasinex Resources Nevada Limited) (“Pasinex”), whereby Caliber Minerals Inc. transferred their previous option to Pasinex to earn up to an 80% interest in the property.

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\$200,000 to the Company and incur exploration expenditures totaling US\$1,850,000 over the three-year term of the first agreement. The Company 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.

The Company received 200,000 Pasinex shares in each of fiscal 2017, 2018 and 2019 (total 600,000). As at September 30, 2019, the shares have a fair market value of \$18,000.

The Company announced on September 12, 2019 that it has agreed to extend the terms of the 2017 earn-in option agreement with Pasinex Resources Limited and Caliber Minerals Inc. (formally Silcom Systems Inc.) on the Spur (formally Gunman) zinc exploration property in Nevada, USA.

The agreement changes the date of the \$100,000 option payment, payable to Cypress, to December 11th, 2019. It also defers the 2019 exploration obligations into 2020, bringing the exploration obligations to \$1,600,000 USD for 2020. The underlying licenses are in good standing until September 2020.

On September 11, 2019, Cypress received 200,000 shares of Pasinex as part of the 2017 earn-in option agreement.

For further clarification on the original earn-in option agreement, refer to the news release dated [December 7th, 2017](#).

Clayton Valley Lithium Project

The contiguous Dean and Glory properties collectively comprise Company’s Clayton Valley Lithium Project.

Exploration drilling began on the properties in 2017 and continued in several stages through the present quarter.

A full table of the 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

Cypress Development Files Resource Estimate for Clayton Valley, Nevada Lithium Project

On June 11, 2018, the Company announced it has filed a National Instrument (NI) 43-101 Technical Report on SEDAR titled “Resource Estimate Clayton Valley Lithium Project”. The Technical Report details the independent Mineral Resource Estimate for the Company’s 100%-owned lithium project in Nevada, as described in the Company’s press release of May 1, 2018.

Highlights:

- Total Indicated Mineral Resource of 697 million tonnes at an average grade of 886 ppm Li, or 3.287 million tonnes of lithium carbonate equivalent (LCE).
- Total Inferred Mineral Resource of 643 million tonnes at an average grade of 852 ppm Li, or 2.916 million tonnes of LCE.
- The mineral resources are reported using a cut-off grade of 300 ppm Li and constrained to pit shell reflecting a \$15/tonne operating cost, \$10,000/tonne of LCE price and 80% net recovery to LCE.
- The resources are broken down into five units which are distinguished by stratigraphic position and color (Table 1). The middle three units are higher grade and estimated to average greater than 950 ppm Li, whereas the uppermost and lowermost units average less than 700 ppm Li.
- GRE generated an initial pit outline capable of supporting several decades of mining at a production rate of 10,000 to 15,000 tpd (Table 2). The initial pit contains an indicated resource of 191 million tonnes averaging 988 ppm Li (1.007 million tonnes LCE), and an inferred resource of 25 million tonnes at 1,047 ppm Li, (0.142 million tonnes LCE). Selective mining of higher-grade material, i.e. targeting the middle three units, will be an option considered in the PEA.

GRE estimated the Mineral Resource using a database of 23 drill holes for 1,891 metres, drilled by Cypress during 2017 and 2018. The resource was calculated using a 2.5-dimensional (2.5D) gridded model (common for layered sedimentary deposits) of six mineralized stratigraphic units, which includes a thin surficial gravel unit, and verified using a 3-dimensional (3D) block model. The mineralized intercepts in the drill holes and a 3D interpretation of the geology and intercepts were done by Terre Lane and J.J. Brown of GRE, who are Qualified Persons under NI 43-101.

All samples for the project were assayed at ALS Chemex or Bureau Veritas, both ISO-9000 certified laboratories. The resulting assay intervals were composited for the entire sedimentary unit for the 2.5D gridded model and were composited to a 5m down-hole length for the 3D estimate. Grade capping of lithium values was not required. Model grades were interpolated in Techbase using an inverse distance squared algorithm. A tonnage factor of 1.7 tonnes per cubic meter was selected based upon general published values to represent the insitu density. Indicated Mineral Resources were defined as being within 300 meters of a drill hole, with the Inferred mineralization requiring 2 drill holes within a search ellipse of 1500 x 800 metres for each unit. The major axis was orientated north-south along valley. The sedimentary units were truncated at the Angel Island volcanic package and claim boundaries.

The mineral resources reported use a cut-off grade of 300 ppm Li, reflecting a \$15/tonne operating cost for mining, processing and G&A. The costs reflect a 10,000 – 15,000 tonne per day mining operation in soft sedimentary material that does not require blasting. Cost assumptions for the cut-off grade include a delivered acid cost of \$80/tonne and 100 kg acid per tonne of material processed.

Table 1. Indicated and Inferred Resources

Lithology	Tonne	Grade-ppm	Li-kg	LCE-kt
Indicated				
Upper Tuff	58,700	707	41,500	221
Upper Olive	148,300	897	133,000	708
Main Blue	220,500	1,081	238,400	1,269
Lower Olive	132,200	851	112,500	599
Hard Bottom	136,900	673	92,100	490
Total	696,600	886	617,500	3,287

Inferred				
Upper Tuff	65,300	689	45,000	240
Upper Olive	112,400	883	99,300	529
Main Blue	190,700	1,032	196,800	1,048
Lower Olive	149,400	833	124,400	662
Hard Bottom	125,000	657	82,100	437
Total	642,800	852	547,600	2,916

Table 2. Resources within Initial Pit Outline

Lithology	Tonne	Grade-ppm	Li-kg	LCE-kt
Indicated				
Upper Tuff	22,600	686	15,500	83
Upper Olive	37,400	947	35,400	188
Main Blue	88,000	1,169	102,900	548
Lower Olive	24,500	922	22,600	120
Hard Bottom	18,900	672	12,700	68
Total	191,400	988	189,100	1,007
Inferred				
Upper Tuff	-	-	-	-
Upper Olive	7,200	986	7,100	38
Main Blue	11,200	1,161	13,000	69
Lower Olive	7,000	929	6,500	35
Hard Bottom	-	-	-	-
Total	25,400	1,047	26,600	142

Clayton Valley Lithium Project Plan View of Preliminary Pit:

https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp_re_plan_view_of_preliminary_pit.jpg

Cypress Development Announces Positive Preliminary Economic Assessment (PEA) for Clayton Valley Lithium Project, Nevada

On September 6, 2018, the Company announced positive results from a Preliminary Economic Assessment (PEA) of the Company's Clayton Valley Lithium Project in Nevada, U.S.A. The PEA was prepared by Global Resource Engineering (GRE) of Denver, Colorado, an independent engineering services firm with extensive experience in mining and mineral processing. All dollar values are in US dollars.

Highlights:

- Net present value of \$1.45 billion at 8% discount rate and 32.7% internal rate of return on after-tax cash flow.
- Lithium carbonate price of \$13,000 per tonne based on Benchmark Research market study.
- Average annual production rate of 24,042 tonnes of lithium carbonate over 40-year life.
- Capital cost estimate of \$482 million, pre-production and operating cost estimate averaging \$3,983 per tonne of lithium carbonate.
- Updated Resources from May 1, 2018 estimate:

- Indicated Resource of 831 million tonnes at 867 ppm Li, or 3.835 million tonnes lithium carbonate equivalent (LCE).
- Inferred Resource of 1.12 billion tonnes at 860 ppm Li, or 5.126 million tonnes LCE.

PEA Summary

After tax cash flow analysis (US Dollars)	
Internal rate of return (IRR)	32.7%
Net present value (NPV-8%)	\$1.45 billion
Cumulative cash flow, undiscounted	\$6.171 billion
Payback period	2.7 years
Operating rate	15,000 tpd for 40 years
Capital cost estimate	\$482 million over 2 years
Net lithium recovery	81.5%
Base case price for lithium carbonate	\$13,000/tonne
Average production lithium carbonate	24,042 tonnes
Operating cost for lithium carbonate	\$3,983/tonne

Sensitivity of Base Case to Lithium Price

Price for lithium carbonate	NPV-8% (\$ Million)	IRR
\$4,800/tonne - break-even	---	0
\$8,000/tonne (-38%)	433	16.4
\$10,500/tonne (-19%)	947	25.0
\$13,000/tonne – base-case	1,454	32.7
\$15,500/tonne (+19%)	1,960	40.0
\$18,000/tonne (+38%)	2,467	46.8

Resources:

The PEA includes an updated Mineral Resource Estimate, which followed upon changes in the resource model and property boundaries since the May 1, 2018 Resource Estimate. For the PEA, GRE created an ultimate pit shell for the property-wide resources, and an initial pit shell that focused on the higher-grade clay units in the eastern part of the property. Estimation methods follow those in the previous technical report.

Resources – Property-Wide Pit Shell

Cut-off grade Li ppm	Indicated			Inferred		
	Tonnes (million)	Li ppm	Tonnes LCE (million)	Tonnes (million)	Li ppm	Tonnes LCE (million)
300	831.0	867	3.834	1,120.3	860	5.125
600	768.5	892	3.649	1,022.2	888	4.831
900	319.7	1,091	1.857	430.3	1,082	2.478

Resources- Initial Pit Shell

Cut-off grade Li ppm	Indicated			Inferred		
	Tonnes (million)	Li ppm	Tonnes LCE (million)	Tonnes (million)	Li ppm	Tonnes LCE (million)
300	365.3	942	1.832	160.5	992	0.847
600	361.3	946	1.820	158.5	997	0.841
900	198.0	1,105	1.164	106.8	1,119	0.626

The mineral resources are reported using a cut-off grade of 300 ppm Li and are constrained to a pit shell reflecting a \$17.50/tonne operating cost, \$13,000/tonne of LCE price, and 81.5% net recovery to LCE. Both property-wide and initial pit shells use a 30-degree pit slope.

Mining and production schedule:

A 15,000 tonne per day nominal production rate was selected based upon the projected output for the operation, with the goal of producing 20,000 tonnes per year of lithium carbonate. The nominal production rate equates to 5.475 million tonnes per year of mill feed at an average grade of 1,012 ppm Li. Further improvement in the production schedule is possible given the resources in the initial pit alone far exceed the 219 million tonnes of production needed to support a 40-year mine life.

GRE evaluated four options for mine equipment and mill feed transportation and selected an in-pit feeder-breaker with slurry pumping for the base case. No drilling or blasting is required, and the only major piece of mobile equipment is a front-end loader to feed the in-pit feeder-breaker. Waste mining is minimal, amounting to a total of 6 million tonnes over the 40-year mine life.

Processing:

The plant design by GRE includes agitated tank leaching, and a multi-stage thermal-mechanical evaporation system for concentrating leach solution. Slurried feed is transported to the mill where lithium extraction is achieved through leaching at elevated temperatures with dilute sulfuric acid. The sulfuric acid concentration is targeted at 5%, with the addition of concentrated acid delivered from the on-site acid plant.

The estimated acid plant capacity is 2,000 tonnes per day of sulfuric acid, generated from the combustion of elemental sulfur trucked to the site in the molten state. The acid plant has the potential to produce up to 25 MW of electricity, but at additional capital expense. For this study, only enough electricity will be generated to run the acid plant. Steam from the plant will be used for heating in the leaching and evaporation stages of processing.

Leaching will take place in a primary leach vessel followed by a series of thickeners. Retention time in the leach circuit is estimated at 4 to 6 hours with acid consumption estimated at 125 kg per tonne of feed. Overflow from the final leach thickener is pumped to a primary impurity removal circuit where calcium hydroxide is added to precipitate iron and aluminum, and the thickened underflow filtered and conveyed to a dry-stack tailings facility. The purified solution is reduced in volume via a multi-stage thermal-mechanical evaporation system where evaporate is collected and recycled as process water, and the condensate is treated by stage-wise addition of sodium hydroxide and soda ash to precipitate calcium, manganese and magnesium before advancing to final product production. Precipitation of the final product occurs with the addition of soda ash, producing a lithium carbonate product targeted at 99.5% purity. Net recovery of lithium throughout processing is estimated at 81.5%.

Process water for the operation will be obtained by recycling barren leach solution after treating in a reverse osmosis plant, and by introducing fresh make-up water, estimated at 345 m³/hour and delivered via pipeline from a well field located off-site.

Capital Costs:

The total initial capital cost estimate is \$482 million distributed over two years of pre-production. An overall factor of 2.86 on equipment costs is used to allow for the necessary installation labor, construction materials, spares, first fill, buildings, and engineering and construction management. Infrastructure and G&A capital includes allowances for feasibility study, permitting, bonding, off-site electrical, and acquisition of process water.

Capital Cost	(USD Millions)
Mine development and equipment	35
Plant feed prep, leaching, purification and lithium recovery	163
Acid plant	105
Tailings	25
Site utilities	17
Infrastructure and G&A capital	38
Direct Capital Costs	383
Working capital	24
Contingency (20% of Direct Costs)	76
Indirect Capital Costs	99
TOTAL CAPEX	482

Operating Cost Estimate:

Estimated operating costs are \$17.50 per tonne of mill feed, or \$96 million per year, including 10% contingency. Acid plant operations are the major component in the operating costs and account for more than half of the total. Project labor is estimated at 136 on-site employees. Connected power is estimated at 12 MW, with an all-in cost of \$0.066 per KWH.

Operating Cost	\$ per tonne of mill feed	\$ per tonne of LCE
Mining	1.73	395
Plant labor	1.45	330
Reagents & supplies	12.70	2,893
Power	0.94	210
G & A	0.68	155
TOTAL OPEX	17.50	3,983

PFS Recommended:

GRE recommends the Prefeasibility Study (PFS) as the next step for the project. The PFS will include infill drilling to upgrade resource categories and optimize the production schedule within the mine area. Metallurgical testing will include determining optimum leach conditions and configuration of the process plant as well as further testing at the bench-scale to demonstrate production of high purity lithium carbonate suitable for battery usage.

Within the recommendations is testing to investigate rare earth elements, most notably scandium, neodymium and dysprosium, which were identified in solution during the PEA and could be potentially recoverable by-products. Additionally, study of alternative processing methods, such as membranes and ion exchange resins, and trade-off studies related to capital and saleable electrical generation for the acid plant are recommended.

Initiation of baseline data collection, hydrology and geotechnical studies will also be conducted. The PFS carries a total estimated budget of \$800,000. Cypress intends to follow the recommendations, beginning with infill drilling to start in the next 1-2 months, and metallurgical test work which has already begun. Cypress anticipates the PFS to be completed in Q1 2019.

Cypress Development Corporate Update

On December 11, 2018, the Company announced an update progress on the work towards the PFS, including an infill drilling program, further metallurgical testing, and the initiation of baseline studies.

Cypress has prepared an application to modify its existing drilling permit for its infill program. The program is planned for up to 1500 meters of drilling within the area between previous holes GCH-06 and DCH-10, which is identified as the higher-grade center of the deposit. Drilling is expected to begin in early 2019, and will provide information to upgrade resource categories, further define a production schedule for the PFS, and provide additional material for further metallurgical tests.

Metallurgical testing for the PFS is already underway using sample material from the existing drill core. The metallurgical program is focused on optimizing leaching conditions with respect to acid concentration, residence time, and other parameters, and subsequent steps in concentrating lithium in the leach solutions leading to the production of lithium carbonate. As more material is obtained from infill drilling, tests will focus on composite samples of the individual clay units within the pit area, and on larger composites representative of the PFS production schedule.

Cypress Development Drilling at Clayton Valley Lithium Project in Nevada

On February 7, 2019, the Company reported mobilization is underway for drilling on the project. The present drill program is an important data gathering component of the ongoing prefeasibility study (PFS) and will concentrate on an area between previous drill holes GCH-06, DCH-04 and DCH-05. (See drill hole location map). The

primary objectives are to upgrade and convert resources to reserves in developing the PFS mine plan and to obtain material for further metallurgical testing. Secondary objectives are to obtain geotechnical data and additional information on lithology, mineralization, and clay speciation.

Clayton Valley Lithium Project 2019 drill hole location map:

<https://cypressdevelopmentcorp.com/site/assets/files/3640/cvlp-drilling-map-a.jpg>

Drilling is expected to intersect lithium-bearing units from near-surface to depths of more than 100 meters. Actual depths will vary with drilling conditions and lithological contacts. The primary targets in the drilling area are the Upper Olive and Main Blue Mudstone units. Lithium values where intersected in nearby holes are relatively higher, as seen in GCH-06 where the lithium values are up to 1609 parts per million (ppm). The drilling program is anticipated to generate 500 to 800 meters of core. Drilling is expected to be completed in March depending on weather conditions.

Cypress Development Selects Ausenco for Prefeasibility Study for Clayton Valley Lithium Project in Nevada

The Company announced on February 14, 2019 that Ausenco Engineering Canada Inc. has been selected as the lead consultant for the Prefeasibility Study (PFS) on the Company's Clayton Valley Lithium Project in Nevada. Cypress is also pleased to announce that Global Resource Engineering (GRE) will continue to consult on project metallurgy, resource estimation and mine planning. Ausenco Engineering has extensive experience in lithium projects. Selected projects include Bacanora Minerals' Sonora Lithium Project (Mexico), Talison Minerals' Minerals Conversion Plant (Western Australia), and European Metals Cinovec Tin-Tungsten-Lithium Project (Czech Republic).

Cypress Development Confirms Positive Metallurgy for Clayton Valley Lithium Project in Nevada

On February 26, 2019 the Company was pleased to report the completion of the first phase of metallurgical testing in the prefeasibility study (PFS) on the Company's 100% held Clayton Valley Lithium Project in Nevada. The testing was successful in confirming the range of parameters used in the 2018 Preliminary Economic Assessment (PEA). The results demonstrate lithium extractions of 75 to 83% and sulfuric acid consumptions ranging from 85 to 132 kg/t.

Following the release of the PEA in October 2018, metallurgical testing continued and is ongoing at Continental Metallurgical Services (CMS) in Butte, Montana. CMS completed over 75 individual leach tests representing more than 250 laboratory hours in leaching composite sample material from the project. The objective of the program was to simulate the leaching portion of the process flowsheet from the PEA, which consists of agitated tank leaching. The initial tests were single-stage leaching at specific temperatures, times, and percent-solids levels. The tests then progressed to multiple-stage leaching using variable acid conditions and residence time, simulating the leach process from tailings-wash through to final pregnant leach solution (PLS). Tests were conducted at a lower range of temperatures than the 70 to 90°C range assumed in the PEA. Residence time in the primary leach stage was from 1 to 4 hours, comparable to the 2-hour time assumed in the PEA. Recoveries of lithium were consistently achieved and optimized in the range of 75 to 83% for varying sets of leach conditions.

This testing was conducted on bulk composites prepared from property-wide drill cores which were also used in the 2018 check assay program. Further leach testing will be conducted on samples collected from within the planned mine area in the PFS. The timeline for these additional tests is dependent upon additional drilling, which was delayed by various factors. However, to expedite testing for the next phase, assay reject material from three drill holes, GCH-2, DCH-15 and DCH-17, was used to prepare 13 composite samples representing the major clay units encountered within the planned mine area. In addition to the testing on these samples, scope for further optimization of the leaching process remains. To help accelerate the program, the Company provided CMS with an ICP unit for its use in assaying at CMS's lab. All final assays for the solids and solutions are confirmed by ALS-Chemex.

While these steps were time-consuming, the focus for the remaining work for the PFS is not further optimization of leaching, but to demonstrate lithium production from the PLS into a saleable form. In the PEA process flowsheet, this is accomplished by purification, evaporation and crystallization steps. CMS completed a successful demonstration in the first phase by purifying a 10-liter sample of leachate grading 110 parts per million (ppm) lithium and concentrating it to over 4,000 ppm lithium via evaporation. The resulting concentrated solution contained only negligible levels of magnesium and other impurities. Purification, evaporation and crystallization remains the base case assumption for the PFS and will be confirmed in phase two of testing. Alternative methods for lithium production will also be examined, these include ion exchange (IX) resins and membranes. The Company and CMS have demonstrated some success using their own in-house IX resin for the extraction of lithium from the PLS. Cypress has also contracted with a third party for testing of its IX resin.

Qualified Person

All technical information about the Company's mineral properties contained in this MD&A has been prepared under the supervision and approval of Bill Willoughby, PhD, PE, RM SME, the Company's CEO, who is a "qualified person" within the meaning of National Instrument 43-101.

Cypress Development Completes Drilling at Clayton Valley Lithium Project in Nevada

On April 11, 2019 the Company reported that its infill drilling program at the Company's Clayton Valley Lithium Project in Nevada was completed. The program commenced in March and was a critical step in the prefeasibility study (PFS) currently underway with Ausenco Engineering Canada Inc., Global Resource Engineering and others. The drilling was focused within a one-kilometer-squared area where six holes were completed to an average of 120 meters below surface grade.

Clayton Valley Lithium Project 2019 infill drill hole area map:

<https://cypressdevelopmentcorp.com/site/assets/files/3640/cvlp-drilling-map-a.jpg>

Cypress Development Announces Results from Drilling at Clayton Valley Lithium Project in Nevada

On April 23, 2019 the Company reported assay results from its recently completed infill drilling program at the Company's Clayton Valley Lithium Project in Nevada. The program which commenced in March is a critical step in the Prefeasibility Study (PFS) currently underway with Ausenco Engineering Canada Inc., Global Resource Engineering and others.

The target area for this phase of drilling was the southwest portion of the initial pit area as described in the October 1, 2018 Preliminary Economic Assessment NI 43-101 Technical Report (PEA). The goal of the drilling program for the PFS was to define an area of relative higher-grade lithium, upgrade the categories of resources and provide the tonnage for the PFS mine plan and production schedule. The program also provided fresh material for geotechnical and ongoing metallurgical testing. Complete assay results from the program are provided within the press release and on the Company's website.

Cypress Development Provides Update on Prefeasibility Study for Clayton Valley Lithium Project in Nevada

The Company provided an update on its current Prefeasibility Study ("PFS") of the 100% owned Clayton Valley Lithium Project (Project), Nevada and other corporate matters on June 17, 2019.

Timing of the PFS, led by Ausenco Engineering Canada, Inc., was changed by minor variations in scope and completion of key components. One alteration was drilling, delayed by weather and additional footage, the results were announced in the Company's April 23rd press release. Work on the process flow sheet was extended and has required additional time to finalize and apply to plant design and cost estimates. Specific attention was given to the number of leach stages, and type of equipment needed for solid-liquid separation. Related studies are

completed and supplementary testing is underway, with the goal of determining the most viable means of handling clay slurries during the leaching, washing, and purification phases.

Work on the PFS Phase II metallurgical program continues. This work is focused on the purification and concentration of lithium in the final leach solutions. These studies are nearing completion and await results from testing of 3rd-party ion-exchange resins, and tests on the base-case assumption of concentration via evaporation.

To provide slurry for rheology and filtration study, and pregnant leach solution (PLS) for the Phase II program, a 100 kg bulk-sample was prepared at Continental Metallurgical Services (CMS). The sample contained 1,256 parts per million (ppm) lithium and utilized material from drill holes DCH-15 and GCH-6. The sample was subjected to a single-stage leach under optimized conditions of time, temperature, solids ratio, and acid concentration. Leaching yielded approximately 300 liters of PLS grading 410 ppm Li, with an acid consumption of 124 kg/tonne and 84% extraction of lithium into the PLS. These results are similar to those from previous testing.

Other work conducted for the PFS is completed or nearing completion with results of the study anticipated this summer. The resource model was updated by Global Resource Engineers (GRE), who are also in the process of completing an optimized mine plan and production schedule. For the mine plan, geotechnical testing was done using drill core from the spring drill program. Results were consistent with GRE's Preliminary Economic Assessment (PEA) assumption for pit slopes of 30-degrees, and range from 23-degrees in the upper clay unit to 45-degrees in the lower clay unit. The topographic base for the Project was expanded with an additional aerial survey. A Phase I environmental assessment is also underway.

Regarding legal proceedings, the Company's lawsuit against Centrestone Resources, LLC ("Centrestone"), a Nevada limited liability company, in which Cypress is the Plaintiff, is continuing. A hearing was held on May 7, 2019 in Goldfield, Nevada, by the Fifth Judicial Court of the State of Nevada in and for the County of Esmeralda in which the Court heard Motions for Partial Summary Judgement by both sides. At issue are the contested ownership of claims in two sections at the southern end of Cypress' Project, and the admitted trespass of Centrestone into two other sections of Cypress' Project. Cypress continues to respond in a timely manner to the Court.

William Willoughby, PhD., PE is the qualified person as defined by National Instrument 43-101 and has approved of the technical information in this release.

Cypress Development and Lilac Solutions Demonstrate High Lithium Recoveries from Clayton Valley Project in Nevada

Cypress Development Corp. and Lilac Solutions announced on July 15, 2019 the successful demonstration of high lithium recoveries for Cypress' 100% held Clayton Valley Project in Nevada utilizing extraction processes developed by Lilac Solutions. Lilac Solutions is a lithium extraction technology company based in Oakland, California. Cypress' Clayton Valley Project is located 215 miles southeast of Reno, Nevada and features a large clay-hosted lithium deposit with 3.8 million tonnes of lithium carbonate equivalent in a NI 43-101 Indicated Resource category (see PEA NI 43-101 Technical Report).

"Cypress has established one of the largest lithium resources in the United States and Lilac is excited to work with the Cypress team to move this domestic resource towards commercial production," said David Snyder, CEO and founder of Lilac Solutions. "The United States is home to a variety of important players in the electric vehicle sector and is an epicenter for innovation. This Nevada project has the potential to deliver the critical raw material needed by every North American automaker to compete over the next decade."

Cypress has developed an innovative leaching process which reduces the quantity of sulfuric acid needed to leach lithium from clay. After the lithium is leached into a sulfate solution (the "leachate"), Lilac can extract lithium from the leachate to produce a high-purity lithium solution (the "eluate"), which can be fed into conventional process equipment to produce a high-purity lithium carbonate or lithium hydroxide product.

Lilac extracted lithium from the clay leachate using Lilac’s patented ion exchange process. Following initial engineering work on the Cypress leachate, Lilac was able to recover 83% of lithium from the leachate while simultaneously rejecting greater than 99% of sodium, potassium, and magnesium impurities. The remaining lithium in the leachate can then be recycled back to the leaching stage to effectively allow further recovery of the lithium.

“Lilac’s results are promising and offers us another path forward to effectively recover lithium from our process solutions” said Cypress’ CEO Dr. Bill Willoughby. “Our project is a significant potential source of domestic lithium and we are pleased to be working with Lilac in applying their ion exchange technology.”

About Lilac Solutions:

Lilac Solutions is a lithium extraction technology company unlocking new supplies of lithium from abundant resources. Lilac is a privately held company based in Oakland, California. For more information about Lilac Solutions, visit their website at <http://www.lilacsolutions.com/>.

Summary of Quarterly Results

		3rd (3 months)	2nd (3 months)	1st (3 months)	4th (3 months)
		September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
(a)	Revenue - interest	\$ 514	\$ 2,033	\$ 2,979	\$ 117
(b)	Net (loss)	\$ (607,048)	\$ (342,460)	\$ (244,272)	\$ (993,483)
(c)	Net (loss) per share:				
	Basic -	\$ (0.008)	\$ (0.005)	\$ (0.003)	\$ (0.016)
	Fully Diluted -	\$ (0.008)	\$ (0.005)	\$ (0.003)	\$ (0.016)

		3rd (3 months)	2nd (3 months)	1st (3 months)	4th (3 months)
		September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
(a)	Revenue - interest	\$ 1,323	\$ 1,742	\$ 1,189	\$ 859
(b)	Net (loss)	\$ (305,912)	\$ (400,032)	\$ (390,205)	\$ (728,170)
(c)	Net (loss) per share:				
	Basic -	\$ (0.005)	\$ (0.007)	\$ (0.007)	\$ (0.019)
	Fully Diluted -	\$ (0.005)	\$ (0.007)	\$ (0.007)	\$ (0.019)

For the Quarter Ended September 30, 2019:

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 September 30, 2019, the Company reported a net loss of \$607,048 or a \$0.008 loss per share. Comparatively, the Company had a loss of \$305,912 or a \$0.005 loss per share during the same quarter in 2018.

The Company’s total expenses of \$599,562 (September 30, 2018 - \$303,235) increased by \$296,327 as compared to the same quarter in the previous year.

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 year to another. Shareholder

communications (2019 - \$75,405; 2018 - \$107,225) 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. Legal fees and transfer agent and filing fees vary with the amount of activity in the Company. Share-based compensation expense, a non-cash item, is directly tied into the number of stock options granted in the period. (2019 - 1,550,000; 2018 - Nil). Without this non-cash expense, the general and administrative expenses in 2019 would be \$358,691, an increase of \$55,456 over the same period in the previous year.

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 September 30, 2019, the Company had cash of \$969,861 compared to \$1,625,701 at December 31, 2018. The Company generated \$46,800 and \$455,400 in gross proceeds from the exercise of 585,000 options and 3,505,000 warrants respectively (2018 - \$65,000 and \$897,190). The Company also completed a private placement of 6,114,888 units @ \$.18 resulting in gross proceeds of \$1,100,680. Working capital was \$983,689 at September 30, 2019 as compared to working capital of \$1,708,825 at December 31, 2018.

The Company's cash position at December 31, 2018 was \$1,625,701. As a result of expenditures incurred during the current period for general business expenses; the receipt of \$1,602,880 in cash proceeds from the issuance of shares; expenditures in exploration and evaluation assets of \$1,313,691; the decrease in receivables and prepaid expenses of \$77,711, in due from related party of \$6,515 and in accounts payable and accrued liabilities of \$100,846; the Company's cash position at September 30, 2019 was \$969,861.

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 September 30, 2019, 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:

	September 30, 2019 <i>9 months</i>	September 30, 2018 <i>9 months</i>
Charged to profit and loss for consulting fees	\$ 166,570	\$ 189,996
Capitalized to exploration and evaluation assets	97,656	85,901
Share-based payments	109,558	-
Total expense	\$ 373,784	\$ 275,897

Administrative agreement

The Company operates from the premises of a private company owned by a director 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.

Included in due from related party at September 30, 2019 is \$Nil (December 31, 2018 - \$6,515) due from the private company.

Included in accounts payable at September 30, 2019 is \$40,061 (December 31, 2018 - \$102,578) due to directors and/or their companies.

Included in due to related party at September 30, 2019 is \$3,499 (December 31, 2018 - \$Nil) due to the private company.

New accounting standards and interpretations

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following is the new accounting policy for financial assets under IFRS 9:

Financial assets

The Company will now classify its financial assets in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company’s accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

The following table shows the classification of the Company's financial assets under IFRS 9:

Financial instruments	IFRS 9 Classification
Cash	FVTPL
Receivables	Amortized cost
Marketable securities (excluding warrants)	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Financial instrument disclosures

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has classified its cash and marketable securities as fair value through profit and loss. The Company's receivables, due from related party and accounts payable and accrued liabilities are recorded at amortized cost.

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 – Leases and requires 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.

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.

Subsequent Events

The following events occurred subsequent to September 30, 2019:

Cypress Development Contracts NORAM Engineering for Clayton Valley Lithium Project in Nevada

Cypress Development Corp. reported on November 14, 2019 that it has contracted NORAM Engineering and Constructors Ltd. of Vancouver, BC to conduct concept testing for the Company's Clayton Valley Lithium Project in Nevada. The test work will focus on the downstream portion of the revised extraction flowsheet and run in parallel with completion of the prefeasibility study ("PFS") of the project. The work will be conducted at BC Research Inc., a member of the NORAM Group of companies, located in Richmond, British Columbia.

Cypress released positive results from the first two phases of its PFS metallurgical program earlier this year (see news releases [Feb. 26th](#) & [July 15th](#)). On [August 29](#), the Company reported a milestone where a commercially viable process was identified, based on filtration, to deal with the separation of clay particles from leach solutions. Review of the flowsheet by Cypress and its consultants, identified potential changes in the downstream portion. These changes should enhance the project and lead to improved and more efficient recovery of lithium and probable by-products, including rare earth elements, and more effective use of sulfuric acid. The changes are considered significant and were incorporated into the PFS using data from the test work and known industrial parameters. They consist of a sequence of membrane separations, evaporation, and ion exchange. Subsequent, independent third-party review concluded additional testing was needed to confirm the changes to the PFS and led to the current program. The program is scheduled to take six weeks to complete and will test the performance of several connected stages in the downstream processing. The required volume of leach solution is in preparation and will be shipped to NORAM for testing in the next two weeks.

Cypress CEO Bill Willoughby commented, "We are pleased to work alongside a company with the industrial experience of NORAM during this stage of testing. Their experience in commercial plants, along with this testing program, will provide greater confidence in the PFS results. It also lays the groundwork for the pilot-scale testing and feasibility study we plan for next year."

"While timing of the program means the release of the PFS is moved to early 2020, the management and consultants of Cypress see this as a necessary step to strengthen the project and make it more compelling. Cypress has a strong financial position, maintaining a treasury of over CAD\$1.4 million and is well-positioned to continue advancing the project through the next stages of development."

Exercise of Warrants

4,838,070 warrants were exercised for gross proceeds of \$628,949.

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 September 30, 2019, the Company had a cash balance of \$969,861 (December 31, 2018 - \$1,625,701) to settle current liabilities of \$123,390 (December 31, 2018 - \$154,320). 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 \$868,936 as of September 30, 2019 (December 31, 2018 - \$1,625,701), the Company has \$100,000 (December 31, 2018 - \$Nil) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of \$925 (December 31, 2018 - \$Nil). A 1% change in interest rates would have an effect of \$1,000 (December 31, 2018 - \$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 \$70,684 as of September 30, 2019 (December 31, 2018 - \$31,981), the Company has \$99,865 (December 31, 2018 - \$126,008) in liabilities to US payees. A 1% change in foreign exchange rates would have an effect of \$292 (December 31, 2018 - \$940) 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 November 28, 2019 the following were outstanding:

Share capital – issued and outstanding	87,826,501
Options	8,084,000
Warrants	18,883,688
Shares held in escrow	Nil