CENTURY LITHIUM CORP.
(Formerly Cypress Development Corp.)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2023

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of Century Lithium Corp. (formerly Cypress Development Corp.) and its subsidiaries (the "Company" or "Century") has been prepared by management as of May 10, 2023. Information herein is provided as of May 10, 2023, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2022 and 2021 (**"Financial Statements"**) and the notes thereto, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**"IFRS"**) and the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023 and 2022 (**"Interim Financial Statements"**) and notes thereto prepared in accordance with IFRS. These statements are filed with the relevant regulatory authorities in Canada. All amounts herein are expressed in Canadian dollars, unless otherwise indicated.

Additional information relevant to the Company's activities, including the Company's Annual Information Form dated August 5, 2022 (the "Annual Information Form"), can be found on SEDAR at www.sedar.com.

Dr. William Willoughby, PhD., PE is a non-independent Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects, and approved the scientific and technical information in this MD&A.

The information contained herein is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is a "Venture Issuer" as defined in NI 51-102. For more information on the Company, investors should review the Company's continuous disclosure filings that are available under the Company's profile at www.sedar.com.

All monetary amounts are expressed in Canadian dollars, unless otherwise specified.

Readers are cautioned that this MD&A contains forward-looking statements. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of Century 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. Please refer to the Annual Information Form for further details regarding various risks and uncertainties facing the Company.

BUSINESS OVERVIEW

Century is a public company listed on the TSX Venture Exchange under the symbol "LCE" (formerly "CYP"). The Company is an exploration and development 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 and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the property, and upon future profitable production.

The Company is focused on the development of its Clayton Valley Lithium Claystone Project in southwestern Nevada, USA (**"Clayton Valley Project"**) and is currently operating a pilot plant operation based in Amargosa Valley, Nevada (**"Pilot Plant"**). Century has also initiated a feasibility study for the Clayton Valley Project (**"Feasibility Study"**). For further information on the Clayton Valley Project and the Company's business, please refer to the Annual Information Form.

HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Highlights for the quarter

Operational

- Entered into a collaboration agreement with Koch Technology Solutions ("KTS"), and Koch Engineered Solutions ("KES") for the application of the Li-Pro at the Pilot Plant;
- Installed and successfully commissioned the Li-Pro KTS Equipment;
- Continued progress at the Pilot Plant with several thousand liters of solution delivered to Saltworks Technologies Inc. ("Saltworks") for further processing; and
- Continued progress of the Feasibility Study.

Corporate

- Changed the name of the Company from Cypress Development Corp. to Century Lithium effective January 31, 2023.

Recent Developments and Outlook

The Company had a strong start to the year through its collaboration with KTS and KES and continued progress at the Pilot Plant. The Company continues to focus on its Feasibility Study and an update is expected in due course.

The Company agreed with KTS and KES to collaborate in the testing of their patented Li-Pro process for direct lithium extraction ("DLE"). The technology is being tested at the Pilot Plant through the leaching of bulk sample claystone from the Clayton Valley Project. The KTS equipment was delivered to the site during the second half of the quarter and following successful installation, a seven-day start-up trial was conducted, that was in line with expectation. Several tests will be completed over the coming months and the results from the program will be used by KTS to provide engineering and costs data for the full-scale future installation and deployment at the Clayton Valley Project. It is expected that the first production of concentrated lithium solution ("**Interim Solution**") from the Li-Pro process will be available for shipment to Saltworks during May 2023.

The Pilot Plant continues to function well and since January 2023, each month, two 1,000-liter containers of Interim Solution were generated at the facility for shipment to Saltworks' facility, in Richmond, Canada to produce lithium carbonate. The January shipment has been processed by Saltworks and has been submitted for assay, whilst February's Interim Solution is being processed. The March shipment is pending treatment and analysis.

The Pilot Plant has now completed approximately 18 months of operation and has run multiple cycles of continuous 24/7 operation, utilizing multiple configurations to compile data, all with minimal down-time and regular maintenance. One of the key focus areas of the Pilot Plant is the continued reduction of water use, with an emphasis on 100% recycling of all process water streams within the facility.

The Feasibility Study is progressing well, and all major areas have now been completed. The various engineering groups are reviewing their respective capital and operating cost estimates and evaluating optimization and cost reduction opportunities. A peer review on capital estimates is also expected to be completed during Q2. It is currently expected that the optimization work could extend beyond the current estimate mid-year completion date.

Future activities for Century include the continued operation of the Pilot Plant to confirm the overall process, continue to demonstrate the flowsheet, and produce samples of Interim Solution for processing by Saltworks, ongoing testing and optimization of the Li-Pro process for incorporation in the Clayton Valley Project and finalizing the evaluation of trade-off studies and cost reviews for incorporation in the Feasibility Study. 2023 plans for the Pilot Plant also include testing alternate reagents and equipment, which may include identification of potential by-products, and ways to enhance impurity removal in the DLE process area.

During the quarter, the Company spent $2,827,659 on site related activities. $438,117 was spent on the Pilot Plant excluding depreciation on the Right of Use ("ROU") asset.

During January 2023, the Company formally changed its name from Cypress Development Corp. to Century Lithium Corp.

FIRST QUARTER FINANCIAL RESULTS

THREE MONTHS ENDED MARCH 31, 2023

	2023	2022
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative, office and miscellaneous	$131,487	$179,568
Consulting fees	71,079	32,846
Directors' fees	67,985	69,027
Finance costs (Note 6)	29,721	37,551
Legal	98,402	32,537
Salaries and wages	121,804	107,343
Share-based compensation	199,282	677,754
Shareholder communications	303,225	105,315
Transfer agent and filing fees	36,860	46,701
Depreciation	655	-
Travel	17,705	3,071
	(1,078,205)	(1,291,713)
Foreign exchange gain	81,855	(75,724)
Interest income	234,074	23,495
Unrealized gain on marketable securities	-	6,000
Loss and comprehensive income for the period	$(762,276)	$(1,377,942)
Basic and diluted earnings per common share	$(0.01)	$(0.01)

For the quarter ended March 31, 2023, the Company reported a loss of $762,276 or $0.01 loss per share. Comparatively, the Company had a loss of $1,337,942 or $0.01 loss per share in the same quarter in 2022. The Company's expenses of $1,078,205 (2022 - $1,291,713) decreased by $213,508 as compared to the same quarter in the previous year. Income in the current quarter is derived from interest income of $234,074 and foreign exchange gains driven by the strengthening of the US Dollar compared to the Canadian Dollar and its impact on the value of the Company's US Dollar cash balances expressed in Canadian Dollars. At quarter-end, cash and cash equivalents include $8,139,042 in US Dollar bank accounts and US Dollar guaranteed investment certificates.

The most material expenditure changes during the quarter compared to Q1, 2022 were:

- Consulting fees increased by $38,233 due to the Company's increased spend with key partners assisting with financial planning, and corporate organization and structure.
- Legal fees increased by 65,865 reflecting the Company's increased focus on government relations at the Clayton Valley Project.
- Share-based compensation expense decreased from $677,754 in 2022 to $199,282 in 2023 and is a non-cash item directly attributable to the number of stock options vested during the period.
- Shareholder communication increased from $105,315 to $303,225 reflecting the Company's increased focus on corporate communication and investor relations, following the appointment of its Vice President Investor Relations.

The Company incurred exploration and development expenditures of $2,827,659 (March 31, 2022 - $1,538,167) on its Nevada, USA claims.

The Company's focus is exploration and development therefore, annual profit or loss is not currently a meaningful measure of the Company's performance or value.

Summary of Quarterly Results

The following selected financial information is a summary of quarterly results taken from the Company's unaudited quarterly financial statements (March to September) and audited financial statements (December).

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Total assets	$ 57,356,338	$ 58,319,120	$ 59,136,485	$ 59,333,213
Working capital	$ 23,541,885	$ 26,947,806	$ 31,372,555	$ 33,785,975
Revenue	$ -	$ -	$ -	$ -
Loss for the period	$ 762,276	$ 2,020,264	$ 236,642	$ 1,369,598
Net loss per share: Basic and fully diluted	$ 0.01	$ 0.01	$ 0.00	$ 0.00

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Total assets	$ 54,069,322	$ 37,724,018	$ 28,416,654	$ 25,740,084
Working capital	$ 38,545,166	$ 22,953,963	$ 19,639,277	$ 19,271,028
Revenue	$ -	$ -	$ -	$ -
Loss for the period	$ 1,337,942	$ 1,600,390	$ 123,175	$ 254,159
Net loss per share: Basic and fully diluted	$ 0.01	$ 0.01	$ 0.01	$ 0.00

Total assets were $57,356,338 at quarter-end March 31, 2023, compared to $58,319,120 at quarter-end December 31, 2022. The decrease of $962,782 is attributable to the Q1 2023 spend on General and Administrative Expenses offset by foreign exchange gains on the Company's US$ deposits and interest earned on the Company's cash deposits.

Working capital decreased $3,405,919 from $26,947,805 at December 31, 2022 to $23,541,885 at March 31, 2023 mainly reflecting the increased spend to fund company operations and its ongoing Feasibility Study.

Liquidity and Capital Resources

In management's view, given the Company is in the exploration and evaluation phase, 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 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 near future.

At March 31, 2023, the Company had cash of $22,830,432 compared to $26,550,120 at December 31, 2022. The Company is also holding $700,000 of Short-term Investments at March 31, 2023 ($700,000 at December 31, 2022). The Company invests many of its financial resources in interest bearing securities with varying maturity dates. The Company utilizes Short-term investments, mainly Term deposits, which represent guaranteed investment certificates ("GICs"). Further, the Company currently has no debt on its balance sheet aside from short-term accounts payable and lease liabilities.

During the quarter, the Company continued its preparatory work to further progress the Project towards the feasibility stage. The main activities focused on continued operation of the Pilot Plant and progressing its Feasibility Study.

The Company has no revenue generating operations from which it can internally generate funds. To date the Company's activities have been financed by the sale of its equity securities by way of private placements and the exercise of incentive stock options and share purchase warrants. The Company's working capital was $23,541,885 at March 31, 2023, consisting of cash and cash equivalents of $22,830,432 and receivables, prepaids and marketable securities of $482,756 less accounts payable and accrued liabilities of $182,921 and the $288,381 current portion of the lease liability, as compared to working capital of $26,947,805 at December 31, 2022.

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.

The Company expects that it will operate at a loss for the foreseeable future however, the Company believes that its cash and cash equivalents as at the date of this MD&A are sufficient for the Company's currently planned operating needs for the next 12 months.

Transactions with Related Parties

Key management compensation

Key management personnel consist of the Company's Directors and Officers. The aggregate amount paid or accrued to key management personnel, or companies under their control, was as follows:

	March 31, 2023	March 31,2022
Charged to profit and loss:		
Bryan Disher – Director	$ 14,499	$ 14,499
Abraham Jonker – CFO	49,999	43,800
Cassandra Joseph – Director, Chair	16,235	16,223
Don Myers – Director	12,000	12,000
Ken Owen – Director	13,250	12,000
Jim Pettit – Director	12,000	12,000
Sentinel Market Services Ltd. - a company owned by Jim Pettit	91,144	123,188
Sub-total	209,127	233,710
Capitalized to exploration and evaluation assets		
William Willoughby, President, CEO and a Director of the Company	65,001	-
Willoughby & Associates, PLLC - a company owned by William Willoughby	232,660	164,674
Sub-total	297,661	164,674
Share-based compensation	163,131	343,018
Total expense	$669,919	$ 741,402

As at March 31, 2023, $Nil (December 31, 2022 - $54,693) is included in accounts payable and accrued liabilities owing to Directors and/or companies under their control.

Administrative agreement

The Company's Vancouver office operates from the premises of a private company owned by a Director of the Company. The private company provides office and administrative services to the Company for a fixed price of $27,500 per month, reviewable quarterly. During the quarter the Company terminated the contract, providing twelve-months working notice.

Balance Sheet Arrangements

At March 31, 2023, 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.

Subsequent Events

The following events occurred subsequent to March 31, 2023:

Stock Options Granted

On April 24, 2023 the Company granted and aggregate of 1,318,000 stock options to officers and consultants of the Company. The stock options vest over a five-year period and are exercisable at $1.03 per share for a five-year period, expiring on April 24, 2028.

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 most significant risk for the Company is:

1) The junior resource market, where the Company raises funds, is 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. Further, the majority of the Company's cash and equivalents are held with the Bank of Montreal, a Canadian bank, which has an AA credit rating.

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 March 31, 2023, the Company had cash and cash equivalents of $22,830,432 to settle current liabilities of $471,302 and had working capital of $23,541,885. 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 and short-term investments held with financial institutions. The Company's current policy is to invest excess cash in savings accounts or 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. The Company has $4,319,232 in interest-bearing savings accounts with banks as at March 31, 2023 (December 31, 2022 - $15,479,595) and $18,511,200 (December 31, 2022 - $11,700,000) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of $35,080 (December 31, 2022 - $70,525). A 1% change in interest rates would have an effect of $228,304 (2022 - $267,724) 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 currency of $8,139,042 (December 31, 2022 - $11,455,547) as of March 31, 2023, the Company has $154,763 (December 31, 2022 - $454,490) in liabilities to US payees. A 1% change in foreign exchange rates would have an effect of $82,938 (2022 - $110,011) on foreign currency gain/loss.

(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 lithium, 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.

(d) Dependence on management information systems and cyber security risks

The Company depends on its management information systems in all key aspects of its business. In addition, its management information systems form the basis of its financial reporting. If irreparable damage were to be caused to the Company's information systems and databases (including to its archives and back-up systems), information contained in its management information systems were lost or could not be accessed in a timely manner or at all or such management information systems were not implemented properly or effectively or were not upgraded as required from time to time, there could be a material adverse effect on the Company's business, financial condition, liquidity and operating results. Although the Company has instituted certain protective measures, unauthorized third parties may be able to penetrate the Company's network security and compromise, misappropriate, destroy or exfiltrate its confidential information or create system disruptions. This may include deployment of viruses, trojans, worms, ransomware and other malware or successful social engineering attempts against the Company's employees that would exploit any security vulnerabilities in the Company's management information systems. The costs to eliminate or alleviate cyber or other security vulnerabilities, could be significant, and management's efforts to address these problems may not be successful and could result in interruptions, loss of proprietary data, and negative impact on the Company's operations.

Breaches of the Company's security measures or the exfiltration, accidental loss, destruction, inadvertent disclosure or unapproved dissemination of proprietary, sensitive or confidential data could expose the Company to risk of loss or misuse of this information, result in litigation and potential liability, damage the Company's reputation or otherwise harm its business. The occurrence of any such events could result in material costs for remedial measures and could materially and adversely affect the Company's business relationships, its ability to operate and result in significant liabilities.

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.centurylithium.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 May 10, 2023, the following were outstanding:

Share capital - issued and outstanding	147,464,548
Options	6,600,000
Warrants	21,134,679
Shares held in escrow	Nil