CENTURY LITHIUM CORP.
(Formerly Cypress Development Corp.)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS
ENDED JUNE 30, 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 August 18, 2023. Information herein is provided as of August 18, 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 and six months ended June 30, 2023 and 2022**,** which are presented in Canadian dollars, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. 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" effective as of January 30, 2023). 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 Project in southwestern Nevada, USA (**"Clayton Valley Project"**) and is currently operating a pilot plant operation based in Amargosa Valley, Nevada (**"Pilot Plant"**). Century initiated a feasibility study for the Clayton Valley Project (**"Feasibility Study"**) in February 2022 and is currently working toward its completion. 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

- Feasibility Study continues, with peer reviews of sections underway.
- Pilot Plant continues operation, including the collaboration with Koch Technology Solutions LLC (“KTS”), and Koch Engineered Solutions Limited (“KES”) utilizing KTS equipment within the direct lithium extraction (“DLE”) section of the Pilot Plant.
- Successful production of high purity lithium at Saltworks from product solutions shipped in Q1.
- Baseline studies underway for data collection and reports for submission to government agencies.

Corporate

- Resignation of Cassandra Joseph as Chair of the Board of Directors, effective June 30, 2023.
- Appointment of Bryan Disher as Board Chair.
- Appointment of Todd Fayram as Senior Vice President, Metallurgy.
- Appointment, subsequent to the quarter end, of Dr. Corby Anderson as Director.

Recent Developments and Outlook

The Company’s second quarter of the year included ongoing work on the Feasibility Study and Pilot Plant operations for the Company’s Clayton Valley Project and key changes at the corporate level.

Work on the Feasibility Study continued throughout the six months ended June 30, 2023, with more than 20,000 consultant hours expended since the commencement of the Feasibility Study. Following receipt of initial values from our consultants, Wood PLC and ThyssenKrupp Nucera, the Company is conducting internal reviews to assess optimization and cost reduction opportunities; work which is still ongoing. At the end of the second quarter, the Company also engaged Kiewit Industrial Group to review project designs and cost estimates with attention to site development, material and supply costs, and construction methods. One of the optimization opportunities, reducing or eliminating the use of thickeners for tailings separation, was implemented and is now under trial at the Pilot Plant.

At the Pilot Plant, the Company’s collaboration with KTS and KES is underway, utilizing Koch Li-ProTM equipment in the DLE section of the Plant, where lithium is selectively recovered from the leach solution while deleterious elements are rejected. Testing with Koch is expected to continue through the third quarter while KTS collects information to prepare an engineering design and cost estimates for a full-scale deployment of its Li-ProTM for the Clayton Valley Project.

Lithium chloride solutions produced at the Pilot Plant during the six months ended June 30, 2023, were treated at Saltworks in Richmond, Canada. Saltworks produced high purity (battery-grade) lithium carbonate from these lots, confirming earlier results. Further testing was put on hold while work at the Pilot Plant focuses on improvements to product solution grades resulting from the introduction of Li-ProTM.

Baseline data collection was undertaken for the preparation of reports for submission to government agencies. Wildlife, vegetation, and soil surveys, originally conducted in 2020, were repeated. Class III cultural inventory field work and report were also completed.

At the corporate level, the Company regretfully accepted the resignation of Cassandra Joseph as Director and Chair of the Board of Directors. In her stead, the Board selected Bryan Disher, Director, as its Chair. To strengthen the Company’s expertise in the area of chemical engineering and hydrometallurgy, the Company appointed Dr. Corby Anderson as Director and Todd Fayram to Senior Vice President, Metallurgy.

On January 30, 2023, the Company formally changed its name from Cypress Development Corp. to Century Lithium Corp**.**

SECOND QUARTER FINANCIAL RESULTS

THREE AND SIX MONTHS ENDED JUNE 30

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	3 months	3 months	6 months	6 months
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative, office and miscellaneous	$146,594	$103,611	$278,736	$283,179
Consulting fees	15,929	85,236	87,008	118,082
Directors' fees	68,009	68,742	135,994	137,769
Finance costs	27,575	35,702	57,296	73,253
Legal	53,303	81,880	151,705	114,417
Salaries and wages	207,069	117,691	328,873	225,035
Share-based compensation	233,205	972,784	432,487	1,650,538
Shareholder communications	356,218	200,685	659,443	306,000
Transfer agent and filing fees	3,868	27,709	40,727	74,409
Travel	50,724	49,578	68,429	52,650
	(1,162,493)	(1,743,618)	(2,240,698)	(3,035,332)
Foreign exchange gain (loss)	(465,911)	298,987	(384,056)	223,264
Interest income	213,228	75,033	447,301	98,528
Unrealized gain (loss) on marketable securities	6,000	-	6,000	6,000
Loss and comprehensive loss for the period	$(1,409,177)	$(1,369,598)	$(2,171,453)	$(2,707,540)
Basic and diluted loss per common share	$(0.01)	$(0.01)	$(0.01)	$(0.02)

Six months ended June 30, 2023, compared to six months ended June 30, 2022:

The Company's expenses of $2,240,698 (2022 - $3,035,332) decreased by $794,634 as compared to the same period in the previous year, which is mainly driven by the decrease in shared-based compensation, a non-cash item, of $1,218,051, offset by the increase in shareholder communications of $353,443. Income in the current period is derived from interest income of $447,301 and an unrealized gain on the Company's marketable securities of $6,000, offset by a foreign exchange loss of $384,056, driven by the weakening 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.

The most material changes in the six months ended June 30, 2023, compared to the same period in 2022 were:

- Salaries and wages increased by $103,838 as the result of bonuses paid to both the CEO and CFO during May 2023.
- Share-based compensation expense decreased from $1,650,538 in 2022 to $432,487 in 2023. This is a non-cash item directly attributable to the number of stock options that vested during the period.
- Shareholder communication increased from $306,000 to $659,443 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 $4,977,301 (six months ended June 30, 2022 - $5,198,279) on its Nevada, USA claims. The decrease over the prior year's spending is largely attributed to decreased consulting hours for the Feasibility Study.

Three months ended June 30, 2023, compared to three months ended June 30, 2022:

The Company's expenses of $1,162,493 (2022 - $1,743,618) decreased by $581,125 as compared to the same period in the previous year, which is mainly driven by the decrease in shared-based compensation, a non-cash item, of $739,579. Income in the current period is derived from interest income of $213,228 and an unrealized gain on the Company's marketable securities of $6,000, offset by a foreign exchange loss of $465,911, driven by the weakening 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.

The most material changes in the three months ended June 30, 2023, compared to the same period in 2022 were:

- Salaries and wages increased by $89,378 as the result of bonuses paid to both the CEO and CFO during May 2023.
- Share-based compensation expense decreased from $972,784 in 2022 to $233,205 in 2023. This is a non-cash item directly attributable to the number of stock options that vested during the period.
- Shareholder communication increased from $200,685 to $356,218 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 $2,598,974 (three months ended June 30, 2022 - $2,931,731) on its Nevada, USA claims. The decrease over the prior year's spending is largely attributed to decreased consulting hours for the Feasibility Study.

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, June, and September) and derived from the audited financial statements (December).

	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Total assets	$ 56,104,707	$ 57,356,338	$ 58,319,120	$ 59,136,485
Working capital	$ 19,479,127	$ 23,541,885	$ 26,947,806	$ 31,372,555
Revenue	$ -	$ -	$ -	$ -
Loss for the period	$ 1,409,177	$ 762,276	$ 2,020,264	$ 236,642
Net loss per share: Basic and fully diluted	$ 0.01	$ 0.01	$ 0.01	$ 0.00

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total assets	$ 59,333,213	$ 54,069,322	$ 37,724,018	$ 28,416,654
Working capital	$ 33,785,975	$ 38,545,166	$ 22,953,963	$ 19,639,277
Revenue	$ -	$ -	$ -	$ -
Loss for the period	$ 1,369,598	$ 1,337,942	$ 1,600,390	$ 123,175
Net loss per share: Basic and fully diluted	$ 0.00	$ 0.01	$ 0.01	$ 0.01

Total assets were $56,104,707 at quarter-end June 30, 2023, compared to $57,356,338 at quarter-end March 31, 2023. The decrease of $1,251,631 is attributable to the Q2 2023 spend on General and Administrative Expenses, which was offset by interest earned on the Company's cash deposits.

Working capital decreased $4,062,757 from $23,541,885 at March 31, 2023 to $19,479,127 at June 30, 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.

As at June 30, 2023, the Company had cash and cash equivalents of $18,752,349 (2022 - $26,550,120). The Company is also holding $700,000 in a Guaranteed Investment Certificate maturing in November 2023 at June 30, 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 guaranteed investment certificates ("GICs") issued by Canadian chartered banks. 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 (current assets minus current liabilities) was $19,479,127 at June 30, 2023, consisting of cash and cash equivalents of $18,752,439 and receivables, prepaids and marketable securities of $420,596 less accounts payable and accrued liabilities of $165,944 and the $257,874 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 for the six months ended June 30, 2023, and June 30, 2022.

	June 30, 2023	June 30, 2022
Charged to profit and loss:		
Bryan Disher – Director	$ 28,998	$ 28,998
Abraham Jonker – CFO	146,000	95,867
Cassandra Joseph – Former Director, Former Chair	32,469	32,421
Don Myers – Director	24,000	24,000
Ken Owen – Director	26,500	24,000
Jim Pettit – Director	24,000	24,000
Sentinel Market Services Ltd. - a company owned by Jim Pettit	182,105	194,878
Sub-total	464,072	424,164
Capitalized to exploration and evaluation assets		
William Willoughby, President, CEO and a Director of the Company	246,157	-
Willoughby & Associates, PLLC - a company owned by William Willoughby	127,852	465,627
Sub-total	374,009	465,627
Share-based compensation	229,569	1,031,110
Total	$1,067,650	$ 1,920,901

As at June 30, 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 six months ended June 30, 2023, the Company terminated the contract, providing twelve-months working notice.

Balance Sheet Arrangements

At June 30, 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.

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 June 30, 2023, the Company had cash and cash equivalents of $18,752,349 (2022 - $26,550,120) to settle current liabilities of $423,818 (2022 - $773,542) and had working capital of $19,479,127 (2022 - $26,947,805). 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 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 $10,629,768 in interest-bearing savings accounts with banks as at June 30, 2023 (December 31, 2022 - $15,479,595) and $8,200,000 (December 31, 2022 - $11,700,000) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of $41,234 (December 31, 2022 - $70,525). A 1% change in interest rates would have an effect of $187,523 (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. In addition to cash in US accounts of $4,542,896 (December 31, 2022 - $11,455,547) as of June 30, 2023, the Company has $136,329 (December 31, 2022 - $454,490) in liabilities to US payees. A 1% change in foreign exchange rates would result in a gain of $44,062 (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 August 18, 2023, the following were outstanding:

Share capital - issued and outstanding	147,739,548
Options	8,518,000
Warrants	21,134,679
Shares held in escrow	Nil