



Cypress

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NEWS RELEASE

June 3, 2020

Cypress Development Files Prefeasibility Study for Clayton Valley Lithium Project in Nevada

Vancouver, BC - Cypress Development Corp. (TSX-V: CYP) (OTCQB: CYDVF) (Frankfurt: C1Z1) ("Cypress" or "the Company") is pleased to announce, further to its News Release on [May 19](#), 2020, the full Prefeasibility Study (PFS) of the Clayton Valley Lithium Project in Nevada, U.S.A. was filed on SEDAR and is available on the Company's web site. The PFS was prepared by Continental Metallurgical Services (CMS) and Global Resource Engineering (GRE) and has an Effective Date of May 19, 2020. Todd Fayram (CMS), Terre Lane (GRE), and Daniel Kalmbach are the authors.

Highlights from the PFS and news release are as follows:

- Average production rate of 15,000 tonnes per day to produce 27,400 tonnes lithium carbonate equivalent (LCE) annually over a +40-year mine life.
- Capital cost estimate of US\$493 million, pre-production, and operating cost estimate averaging US\$3,329* per tonne LCE. (* see Note)
- After-tax net present value at an 8% discount rate (NPV-8%) of US\$1.052 billion and an after-tax internal rate of return (IRR) of 25.8% based on a price of \$9,500/tonne for lithium carbonate.
- Production based on Probable Mineral Reserve of 222 million tonnes averaging 1,141 ppm Li (1.353 Mt LCE).
- Mineral Reserves and production plan derived from Measured and Indicated Mineral Resources of 593 million tonnes averaging 1,073 ppm Li (3.387 Mt LCE).

Next Steps:

Throughout 2019 and 2020, the Company focused on completing the PFS. During this time, the Company engaged with interested parties in discussing ways to move the project forward. With the next step a pilot plant program, as recommended in the

PFS, Cypress intends to invite proposals that can add value to the project and the Company through financial, technical, operating or marketing capabilities.

"We are extremely pleased with the effort of Cypress' staff and consultants to bring the project to this level of interest and look forward to securing a partner to achieve the next step in development", noted Cypress CEO Bill Willoughby. "We thank the authors of the PFS, Mr. Fayram, Ms. Lane and Mr. Kalmbach, and are grateful for the assistance of Dr. Brereton and Mr. Mielke from NORAM Engineering and Constructors Ltd. (NORAM), and input from our technical advisor, Dr. Corby Anderson."

In preparation for the pilot plant program, the following work is underway, core logging and analyses on several drill holes, supplemental metallurgical tests, and environmental studies. In the past week, another large sample was leached and filtered at Continental Metallurgical Services (CMS) in Butte, Montana and the filtrate shipped to NORAM in Vancouver, BC for further work to test the NORAM-CMS flowsheet under varying conditions. Testing thus far has yielded concentrated lithium solution suitable for producing high purity lithium hydroxide. The recommendations in the PFS are to study the process with a pilot plant and simulate all key functions of a full-scale operation. Planning for the collection of material for the pilot plant program is underway.

The time frame and cost for the pilot plant program are estimated in the PFS at six months and US\$ 6.75 million. Cypress CEO Bill Willoughby notes *"Our team consistently met the challenges presented to us throughout the PFS. Every step was a learning process and we are confident that appreciation for this work and our asset base in Clayton Valley will carry the project forward through the next phase"*.

Note: The May 19, 2020 New Release contained two typographic errors where the production cost was listed as \$3,392/tonne. The correct value is \$3,329/tonne.

Qualified Persons:

Todd Fayram, MMSA-QP, of Continental Metallurgical Services, LLC., Terre Lane, MMSA-QP, of Global Resource Engineering, and Daniel Kalmbach, CPG, are the qualified persons as defined by National Instrument 43-101 and have approved the technical information in this release.

About Cypress Development Corp.:

Cypress Development Corp. is a publicly traded exploration company focused on developing the Company's 100%-owned Clayton Valley Lithium Project, located immediately east of Albemarle's Silver Peak mine, North America's only lithium brine operation. Exploration and development by Cypress has discovered an extensive deposit of lithium-bearing claystone adjacent to the brine field. The size of the resource makes the Project a premier target with the potential to impact the future supply of lithium for the fast-growing global lithium-ion battery market.

Cypress Development Corp. has approx. 90.1 million shares issued and outstanding.

To find out more about Cypress Development Corp. (TSX-V: [CYP](#)), visit our website at www.cypressdevelopmentcorp.com.

CYPRESS DEVELOPMENT CORP.

"Dr. Bill Willoughby"

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