



Suite 1610 - 777 Dunsmuir Street, Vancouver, BC, Canada, V7Y 1K4
www.cypressdevelopmentcorp.com

TSX Venture Exchange Symbol: CYP
Email: info@cypressdevelopmentcorp.com

Telephone: (604) 687-3376
Facsimile: (604) 687-3119

NEWS RELEASE

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Cypress Development Studies Chloride Leaching for Clayton Valley Lithium Project in Nevada

Vancouver, BC - Cypress Development Corp. (TSX-V: **CYP**) (OTCQB: **CYDVF**) (Frankfurt: **C1Z1**) ("Cypress" or "the Company") reports it is initiating a scoping level study into the extraction of lithium using chloride-based leaching. This decision follows the test results reported in the Company's [November 24, 2020](#) news release. The data indicates a higher rate of lithium extraction in leaching claystone with hydrochloric acid than with sulfuric acid when in the presence of high chloride levels. The Company has engaged NORAM Engineering and Constructors Ltd. (NORAM) and Continental Metallurgical Services Inc. (CMS) for the study which is expected to be completed in January 2021.

"The purpose of this study is to quickly determine if a change in direction is warranted," said Cypress CEO Bill Willoughby. "Cypress is a leader in the development of acid leaching of lithium claystone. When presented with new information suggesting a way to improve the project, we respond with evaluating the new data to bring the best value to our shareholders. The work by NORAM and CMS will determine if this is an alternative that should be pursued and whether it replaces or augments the use of sulfuric acid in our extraction process."

Study Outlined

Cypress continues to work on the pilot plant as recommended in the Company's positive May 19, 2020 [Prefeasibility Study](#) (PFS). The project is based on a surface mine producing 15,000 tonnes per day (tpd) of lithium-bearing claystone to a leach plant yielding 27,400 tonnes per year of lithium carbonate equivalent (LCE) over a 40-year mine life. Features including favorable location, low strip ratio and low acid consumption result in an estimated cash cost of \$3,329 per tonne LCE. A basic PFS assumption is the construction of a 2,500 tpd acid plant to support the leaching and power needs of the project.

The Company reported in its November 24, 2020 news release testing resulted in 85.3% total extraction when using hydrochloric acid to leach lithium-bearing claystone from the project. This result was higher than the 80.2% lithium extraction obtained

when using sulfuric acid under the same conditions. Conditions included using a high sodium chloride solution instead of distilled water in leaching. The results were important in demonstrating the ability to tolerate high chloride levels in the process and flexibility in the water supply that could include geothermal solutions and lithium-bearing brine. The higher level of lithium extraction was confirmed in a subsequent test by CMS and with multi-element analyses performed by ALS Global.

In the analyses to date, hydrochloric acid digests significantly more of the clay. However, the processing steps to purify and concentrate the leach solution are potentially easier and lower cost. The scoping study will include a larger test to provide more solution to confirm these steps. The study deliverables will include mass balances and finalized flowsheets for sulfate and chloride leaching in a high saline system. Also, included will be scoping level estimates for power and other consumables, and potential changes in project capital and operating costs.

Pilot Plant Progress

Work toward the pilot plant program is the next stage in the project's development. The Company has reviewed several locations for the testing and has narrowed its consideration to two. Discussions are ongoing. Permit applications are being prepared as required for the site and bulk sample locations.

The Company reports nine months of baseline environmental related studies were completed and are in the reporting stage on Cypress' property. No major environmental issues were encountered by the Company's consultants.

Newly received test results from NORAM confirmed a high level of recovery of sulfuric acid from the process leach solution. Results from this key step showed greater than 90% of the free sulfuric acid in the solution after leaching, was successfully recovered and available for recycling. The ability to recover and recycle sulfuric acid in the process is a critical step. The PFS has an allowance for minor losses of sulfuric acid. The results from NORAM are within the PFS allowance and provide the information needed for the acid recovery portion of the pilot plant.

The results of the scoping study may require the reevaluation of the recommendation in the PFS to include the use of hydrochloric acid in place of, or in addition to sulfuric acid in the pilot plant. The Company anticipates the purchasing and assembling of the pilot plant will proceed upon completion of the scoping study and its outcome. The Company anticipates completing the pilot plant as planned.

Qualified Person:

Todd Fayram, MMSA-QP, is the qualified person as defined by National Instrument 43-101 and has 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 in Nevada. Exploration and development by Cypress discovered a world-class resource of lithium-bearing claystone adjacent to the Albemarle Silver Peak mine, North America's only lithium brine operation. The size of the resource makes the Clayton Valley Project a

premier source that has the potential to impact the supply of lithium for the fast-growing global energy storage battery market.

Clayton Valley Lithium Project, Nevada claims map:

https://www.cypressdevelopmentcorp.com/site/assets/files/3573/cyp_cm_series_drill_hole_map_2020.jpg

Cypress Development Corp. has approximately 98.7 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"

WILLIAM WILLOUGHBY, PhD., PE

Chief Executive Officer

For further information contact myself or:

Don Myers

Cypress Development Corp.

Director, Corporate Communications

Telephone: 604-639-3851

Toll Free: 800-567-8181

Facsimile: 604-687-3119

Email: info@cypressdevelopmentcorp.com

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