CYPRESS DEVELOPMENT CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED - MARCH 31, 2022

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of Cypress Development Corp. and its subsidiaries (the "Company" or "Cypress") has been prepared by management as of May 25, 2022. Information herein is provided as of May 25, 2022, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020 ("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, 2022 and 2021 ("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 January 27, 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.

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 Cypress 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 AIF for further details regarding various risks and uncertainties facing the Company.

BUSINESS OVERVIEW

Cypress is a public company listed on the TSX Venture Exchange under the symbol "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 at the Clayton Valley Project and has initiated a feasibility study (the "Feasibility Study"). For further information on the Clayton Valley Project and the Company's business, please refer to the AIF.

HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Highlights for the quarter

- Completed a bought deal prospectus offering of 9,058,000 units ("Units") at a price of $2.00 per Unit for gross proceeds of $18,138,720 (the "Bought Deal"). Each Unit consisted of one common share of the Company (a "Common Share") and one warrant to purchase a Common Share at a price of $2.65 until February 4, 2024;

- Entered into a Purchase and Sale Agreement with Enertopia Corporation ("Enertopia") for the purchase of Enertopia's Clayton Valley Lithium Claystone Project ("Enertopia Project");

- Engaged Wood PLC ("Wood") and Global Resources Engineering ("GRE") to complete the Feasibility Study; and

- Successfully completed several continuous operation events at its pilot plant operation based in Amargosa Valley, Nevada ("Pilot Plant").

Recent Developments and Outlook

The Company had a very successful start to the year, completing the Bought Deal, consolidating its land package and having successfully operated its Pilot Plant.

The Company closed the Bought Deal on February 4, 2022. The bought deal has strengthened the Company's balance sheet, providing sufficient cash resources to complete the Company's feasibility study and funding it through to permitting and development stage.

The Company entered into a Purchase and Sale Agreement with Enertopia for the acquisition of the Enertopia Project on February 23, 2022. Subsequent March 31, 2022, the Company paid US$1,050,000 million in cash and issued 3,000,000 common shares valued at $4,890,000 for the purchase.

The Enertopia Project comprises 17 unpatented mining claims totaling 160 contiguous acres directly adjacent to the Clayton Valley Project. According to a March 2020 NI 43-101 technical report on the Enertopia Project[1], the project has an indicated resource of 82 million tonnes (mt) of 1,121 parts per million (ppm) Li and an inferred resource of 18 mt of 1,131 ppm Li using a cutoff grade of 400 ppm Li. The property will be included in the Company's Feasibility Study. To the best of the Company's knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources set out in the technical report inaccurate or misleading, The acquisition was completed subsequent to quarter end (see "Subsequent Events" below).

During the quarter the Company officially commenced the Feasibility Study for the Clayton Valley Project and appointed Wood and GR to conduct the work. Pursuant to its feasibility work, the Company completed several 3-day, 7-day and 14-day continuous operation events at its Pilot Plant. The tests utilized claystone from the Clayton Valley Project and the Company received most of the analyses of the 1,400 samples collected during continuous operating runs that took place during the quarter. The results yielded a concentration of lithium into an intermediate solution product containing 2,700 ppm Li with insignificant impurities ("Intermediate Solution"). These results were in line with expectations and similar to the data used in the Company's Pre-Feasibility Study.

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[1] *Lithium Claystone Mineral Resource Estimate, Clayton Valley, Esmeralda County, Nevada, USA* (March 30, 2020). Prepared for Enertopia Corporation by Bradley C. Peek, MSc, CPG, Peek Consulting Inc. Dr. William Willoughby, PhD., PE reviewed the technical report on behalf of Cypress.

During the quarter, the Pilot Plant also underwent modifications to further improve throughput and efficiencies. The modifications were based on the ongoing results received from the samples and included changes to the flowsheet with the intention of simplifying the impurity removal steps prior to lithium recovery. These modifications are ongoing post quarter end as the Company continues to operate the Pilot Plant.

Work continues on the Pilot Plant evaporation process stage to allow for the integration of the treatment of the Intermediate Solution to produce a high-grade concentrated lithium solution ready for off-site conversion to a final lithium product. The Company hopes to complete the integration of the evaporation process during the next quarter.

Other recent highlights from the Pilot Plant include:

- Results exceeded expectations within the lithium recovery area, with separation efficiencies for lithium and major cations exceeding 98% confirming the successful performance, thus far, of the Lionex lithium recovery and concentration (direct lithium extraction or DLE) process;
- Further changes made to the tailings handling process. Based on the process, all recovered salt (NaCl), process solution, and water is recycled back into the system. No lithium recovery effects were noted with recycled solids and solutions. Changes to the tailing dewatering system has allowed lower moisture content in the final tails to less than 40% moisture. Further changes are being made to allow washing additional lithium from the final tails;
- Overall extraction rates of lithium, within the washed tails, are between 83% and 85%;
- Sodium and potassium removal in the lithium recovery area has approached 80% with less than 0.5% lithium entrainment; and
- Overall impurity removal, specifically, magnesium, calcium, iron, and aluminum all exceeding 99%.

Over the coming months, the Company will continue to run tests to further optimize its Pilot Plant and enhance its process flowsheet.

FIRST QUARTER FINANCIAL RESULTS

THREE MONTHS ENDED MARCH 31

	2022	2021
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative, office and miscellaneous	$ 179,568	$ 90,590
Consulting fees	32,846	170,533
Directors' fees	69,027	254,135
Finance costs	37,551	-
Legal	32,537	81,320
Salaries and wages	107,343	-
Share-based compensation	677,754	-
Shareholder communications	105,315	60,281
Transfer agent and filing fees	46,701	56,404
Travel	3,071	1,021
	(1,291,713)	(714,284)
Foreign exchange loss	(75,724)	-
Interest income	23,495	636
Unrealized gain on marketable securities	6,000	3,000
Loss and comprehensive loss for the period	$ (1,337,942)	$ (710,648)

Basic and diluted loss per common share	$	(0.01)	$	(0.01)

For the quarter ended March 31, 2022, the Company reported a loss of $1,337,942 or $0.01 loss per share. Comparatively, the Company had a loss of $710,648 or $0.01 loss per share in the same quarter in 2021. The Company's expenses of $1,291,713 (2021 - $714,284) increased by $577,429 as compared to the same quarter in the previous year, reflecting the increase in the Company's activities.

The most material increases were:

- administration, office and miscellaneous increased from $90,590 in 2021 to $179,568 in 2022, mainly due to additional consultation relating to the year-end audit, and an increase in operational activities at the Clayton Valley Project;

- consulting fees decreased from $170,533 in 2021 to $32,846 in 2022 as the Company is capitalizing the consulting fees relating to the Clayton Valley project to exploration and evaluation assets;

- directors' fees decreased from $254,135 in 2021 to $69,027 in 2022 as the Company paid an additional bonus to directors in 2021

- salaries and wages increased from $Nil in 2021 to $107,343 in 2022 due to the appointment of the CFO in May 2021 and the Vice President, Investor Relations, in August 2021. The Company had no employees in the same quarter in 2021;

- shareholder communications increased from $60,281 in 2021 to $105,315 in 2022 due to increased marketing activities following the appointment of the Vice President, Investor Relations; and

- share-based compensation increased from $Nil in 2021 to $677,754 in 2022 and is directly attributable to the number of stock options vested during the quarter.

Total assets were $54,069,322 at quarter-end Q1 2022 compared to $37,274,018 at quarter-end Q4 2021 principally due to the receipt of $18,138,720 from the Bought Deal. The Company also received $1,112,950 on the issuance of 1,268,600 Common Shares from the exercise of 558,600 share purchase warrants and 710,000 stock options.

Working capital increased $15,591,203 from $22,953,963 at December 31, 2021 to $38,545,166 at March 31, 2022 mainly reflecting the equity receipts less the quarterly operating expenses and expenditures on evaluation and exploration, property, plant and equipment.

SUMMARY OF QUARTERLY RESULTS

The following selected financial information is a summary of quarterly results taken from the Company's unaudited quarterly financial statements and audited financial statements.

	March 31, 2022	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**
Total assets	$ 54,069,322	$ 37,274,018	$ 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

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total assets	$ 25,918,317	$ 6,864,765	$ 5,994,705	$ 5,201,423
Working capital	$ 20,462,381	$ 2,051,088	$ 1,419,515	$ 738,882
Revenue	$ -	$ -	$ -	$ -
Loss for the period	$ 710,648	$ 230,961	$ 267,534	$ 125,096
Net loss per share: Basic and fully diluted	$ 0.01	$ 0.00	$ 0.00	$ 0.00

The Company is in the exploration and development stage and does not generate any revenue.

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, 2022 the Company had cash of $38,234,164 compared to $23,137,155 at December 31, 2021.

During the period, the Company received $18,138,720 in gross proceeds from the Bought Deal and proceeds of $1,112,950 from the exercise of 710,000 options and 558,600 warrants. This was offset by cash expenditures incurred during the current period for general business expenses, expenditures in exploration and evaluation assets of $1,501,458 and increases in receivables and prepaid expenses of $156,179, in deposit of $62,530 and in accounts payable and accrued liabilities of $249,443, resulting in a closing cash position at March 31, 2022 of $38,234,164.

During the quarter, the Company continued its preparatory work to further progress the Clayton Valley Project towards the feasibility stage. The main activities focused around operating and optimizing the Pilot Plant, acquiring the Enertopia Project, selecting and engaging the consultants for the Feasibility Study and strengthening the balance sheet to provide further financial support to the project.

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 $38,545,166 at March 31, 2022, consisting of cash and cash equivalents of $38,234,164 and receivables, prepaids, marketable securities and a deposit totalling $604,210, less accounts payable and accrued liabilities of $79,172 and the current portion of a lease liability of $214,036, as compared to working capital of $22,953,963 at December 31, 2021.

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, 2022	March 31, 2021
Charged to profit and loss:		
Amanda Chow – Director - resigned during 2021	$ -	$ 15,500
Bryan Disher – Director	14,499	-
Don Huston – Director, Chairman - resigned during 2021	-	55,625
Abraham Jonker – CFO	43,800	-
Cassandra Joseph – Director, Chairman	16,223	-
Don Myers – Director	12,000	52,625
Ken Owen – Director	12,000	-
Jim Pettit – Director	12,000	60,875
Sentinel Market Services Ltd. - a company owned by Jim Pettit	123,188	-
Willoughby & Associates, PLLC - a company owned by William Willoughby, President, CEO and a Director of the Company	-	69,510
Share-based compensation	343,018	-
Sub-total	576,728	254,135
Capitalized to exploration and evaluation assets		
Willoughby & Associates, PLLC	164,674	71,967
Total	$ 741,402	$ 326,102

As at March 31, 2022, $34,881 (December 31, 2021 - $38,706) 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 monthly fixed price of $25,000, reviewable quarterly, plus reimbursement of other direct charges.

Included in receivables and prepaid expenses at March 31, 2022, is a prepaid balance of $108 (December 31, 2021 - $Nil) with this company.

BALANCE SHEET ARRANGEMENTS

At March 31, 2022, 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, 2022:

Acquisition of Enertopia Corporation

The Company entered into a definitive purchase and sale agreement with Enertopia Corporation to acquire Enertopia's Clayton Valley Lithium Claystone Project, comprised of 100% owned mining claims, located immediately adjacent to the Company's Clayton Valley, Nevada project. The Company paid US$1,050,000 million in cash and issued 3,000,000 common shares valued at $4,890,000 for the purchase.

Water Rights Petition

On December 20, 2021, the Company reported that since the closing of the purchase of Nevada water Permit 44411 (Certificate 13631) from Intor Resources Corp., the Company learned that a petition was filed by a junior exploration company in the Nevada District Court for judicial review of the Nevada State Engineer's approval of Intor's Application for Extension of Time to Prevent Forfeiture of the Permit (the "Petition").

On April 11, 2022, the Company was informed that the Petition was dismissed with prejudice by the Fifth Judicial Court of Esmeralda County, Nevada. With this court order, the State Engineer's approval is final and binding, and the extension of the Permit is valid until its annual renewal date of August 28, 2022.

Grant of stock options

The Company granted an aggregate of 750,000 incentive stock options to an Executive Director and an Officer of the Company. The stock options vest over a three-year period and are exercisable at $1.84 per share for a five-year period, expiring on April 4, 2027.

Exercise of stock options and warrants

The Company issued 81,042 Common Shares pursuant to the exercise of warrants and received proceeds of $104,803 and issued 30,000 Common Shares pursuant to the exercise of options and received proceeds of $6,600.

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:

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 cash equivalents are held with the Bank of Montreal, a Canadian bank.

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, 2022, the Company had cash and cash equivalents of $38,234,164 (December 31, 2021 - $23,137,155) to settle current liabilities of $293,208 (December 31, 2021 - $562,693) and had working capital of $38,545,166 (December 31, 2021 - $22,953,963). 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 $37,534,164 in interest-bearing savings accounts with banks as at March 31, 2022 (December 31, 2021 - $22,437,155) and $700,000 (December 31, 2021 - $700,000) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of $239 (December 31, 2021 - $42). A 1% change in interest rates would have an effect of $382,342 (2021 - $231,372) 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 accounts of $8,248,383 (US$6,582,376) (December 31, 2021 - $10,407,963) as of March 31, 2022, the Company has $22,050 (December 31, 2021 - $58,269) in liabilities to US payees. A 1% change in foreign exchange rates would have an effect of $82,263 (December 31, 2021 - $103,497) 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 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.

CONFLICTS OF INTEREST

To the best of our knowledge, there are no known existing or potential material conflicts of interest among the Company and its Directors, Officers or other members of management as a result of their outside business interests except that certain of our directors and officers serve as directors, officers or advisors of other companies, and therefore it is possible that a conflict may arise between their duties to Cypress and their duties as a director, officer or advisor of such other companies.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS AND MD&A

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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

SHARE CAPITAL

As at the report date of May 25, 2022 the following were outstanding:

Share capital - issued and outstanding	146,298,136
Options	7,065,000
Warrants	21,141,091
Shares held in escrow	Nil

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