

**CENTURY LITHIUM CORP.**  
**(Formerly Cypress Development Corp.)**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**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 March 30, 2023. Information herein is provided as of March 30, 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”). 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](http://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](http://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.

**HIGHLIGHTS, 2022 DEVELOPMENTS AND OUTLOOK**

**Highlights for the Year**

*Operational*

- Completed acquisition of the adjacent Enertopia Corporation’s Clayton Valley Lithium Project (the “**Enertopia Project**”);
- Completed several continuous operation events at the Pilot Plant and delivered solution for testing for production of lithium carbonate and lithium hydroxide;
- Completed purchase of Direct Lithium Extraction (“**DLE**”) technology from Chemionix Inc. (“**Chemionix**”);
- Achieved 99.94% lithium carbonate from lithium-bearing claystone from the Company’s Clayton Valley Lithium Project (“**Clayton Valley Project**”);
- Continuous improvement of the Project’s flowsheet through ongoing operation and optimization of the Pilot Plant; and
- Commenced a feasibility study of the Clayton Valley Project (“**Feasibility Study**”) and made significant progress through the year.

## Corporate

- Closed a Bought Deal Offering including full exercise of over-allotment option for a total of 9,058,000 Units at a price of C\$2.00 per unit for gross proceeds of C\$18,116,000.

## 2022 Developments and Outlook

In 2022 the Company significantly strengthened its treasury, increased its land holdings through the acquisition of the Enertopia Project, commenced its Feasibility Study and, through its successful operation of the Pilot Plant, achieved battery grade lithium carbonate.

The Company's focus during the fourth quarter was the continuation of its Feasibility Study and the operation of its Pilot Plant.

The Company's Pilot Plant continues to operate in line with expectations and optimization studies and Pilot Plant operations are ongoing. The Pilot Plant produces an intermediate concentrated solution ("**Intermediate Solution**") which is sent to Canadian based Saltworks Technologies Inc. ("**Saltworks**") to produce lithium carbonate. During September 2022 Saltworks succeeded in producing lithium carbonate at 99.94% purity from the initial batch of Intermediate Solution shipped from the Pilot Plant. At the financial year-end, the Company had approximately 4,000 liters of Intermediate Solutions, which was shipped to Saltworks after year-end. The results of the additional testing are expected during the second quarter of 2023.

The Saltworks process for extracting lithium carbonate from Interim Solution will be incorporated in the Feasibility Study and will form part of the ultimate processing plant at the Clayton Valley Project. The production at the Pilot Plant continues to be sourced from the 500-tonne sample of claystone that was excavated in April 2022 from an engineered test-pit at the Clayton Valley Project.

The Feasibility Study is progressing and at year-end approximately US\$2.2 million had been spent on the study. As previously reported, the Feasibility Study is led by Wood PLC ("**Wood**"), supported by Global Resource Engineering ("**GRE**") on the mining front, thyssenKrupp Nucera AG & Co. ("**Nucera**") for the design of the chlor-alkali plant and Saltworks for the final extraction process. Koch Engineered Solutions ("**KES**"), the owners of the Lionex Direct Lithium Extraction technology ("**Lionex**"), will provide the engineering design and costs for the full-scale DLE portion of the processing plant for the Clayton Valley Project.

The main categories of work outstanding on the Feasibility Study are; project execution plan and schedule; draft estimates; draft report; final capital and operating cost estimates; final engineering report and final technical report. The feasibility process will also include some trade-off studies and optimization work to reduce capital expenditure.

Post year-end the Company entered into a collaboration agreement with KES for the testing of its LiPro™ process for direct lithium extraction ("**DLE**") at the Pilot Plant. The purpose of the collaboration agreement is to evaluate the added features of the LiPro™ and to assess any potential benefits it might have for the Clayton Valley Project.

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 lithium carbonate. Additional lots of Intermediate Solution from the DLE section of the Pilot Plant will be shipped to Saltworks to test for consistency in product quality.

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. Additional space within the Pilot Plant building has been prepared for this work.

The Company's Feasibility Study is progressing well, and it is targeting a release of the report during mid- 2023. The Company will assess its personnel needs based on the progress and outcome of the Feasibility Study.

During the year, the Company spent \$5,699,215 on site related activities. An additional \$4,643,011 was spent on the Pilot Plant excluding depreciation on the Right of Use ("**ROU**") asset.

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

## **BUSINESS DESCRIPTION, EXPLORATION AND DEVELOPMENT ASSETS AND HISTORY**

### **Nature of Business**

Century is a public company listed on the TSX Venture Exchange under the symbol “LCE”. 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.

### **Exploration and Evaluation Assets**

Developments on the properties are as follows:

#### **Clayton Valley Project**

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The contiguous Dean, Glory, and Enertopia properties collectively comprise the Company’s Clayton Valley Project. Exploration drilling began in 2017. The Dean and Glory properties were included for the prefeasibility study. The Enertopia Property, acquired in 2022, will also be included as part of the Clayton Valley Project for the Feasibility Study.

#### ***Dean Claims, Nevada, USA***

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On September 8, 2016, Century entered into an agreement to acquire a 100% interest in the 2,700-acre Dean lithium property in Clayton Valley, Nevada. To purchase its 100% interest in the claims, over a four-year period the Company paid US\$140,000 (\$181,946) in cash and issued 1,050,000 shares of the Company, valued at \$221,250.

The Optionor retains a net smelter return (“NSR”) royalty interest of 3% with Century having the right to purchase two thirds of the NSR for \$1,000,000.

As at December 31, 2022 the Company has incurred \$1,120,395 in exploration and evaluation expenditures on the property.

#### **Glory Claims, Nevada, USA**

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On January 26, 2016, Century entered into an agreement to acquire a 100% interest in the 1,280-acre Glory lithium property in Clayton Valley.

On January 28, 2019, the Company completed the purchase with a cash payment of US\$75,000 and the issuance of 250,000 common shares of Century to the vendor valued at \$58,750. The vendor retains a 3% NSR royalty interest. Century has the right to purchase two-thirds of the royalty, or 2% NSR, for US\$1 million prior to the beginning of production.

## ***Enertopia Project***

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On May 4, 2022, the Company completed the acquisition of the Enertopia Project located immediately adjacent to the Company's Dean and Glory properties. The Enertopia Project owns certain mining claims, which include the right to mine for minerals, access, and any related data, including unpatented mining claims.

The underlying royalty holders retain a 1% net smelter royalty ("NSR").

Under the terms of the agreement, the Company issued 3,000,000 common shares ("Consideration Shares") valued at \$4,890,000 and paid US\$1,100,000 (\$1,418,147) in cash. In connection with the transaction, the Company also paid a finder's fee of US\$105,000 (\$135,368).

### **History of the Project**

On February 7, 2018, the Company reported results from the first four core holes on the Glory claims at the Project and that the drilling extended the trend of lithium ("Li") mineralization by more than 2 kilometers south and west from the Dean claims, where the Company had previously reported 14 drill holes and encountered lithium-bearing claystone over an area averaging 4 kilometers by 2 kilometers. The Company commenced mobilization for drilling on the Clayton Valley Project in support of a prefeasibility study ("PFS").

On April 3, 2018, the Company announced results from three holes drilled at the Clayton Valley Project and reported an intersection of 97 meters averaging 1,144 ppm Li in the final hole.

On May 1, 2018, the Company announced a maiden independent resource estimate for the Clayton Valley Project that noted a total indicated mineral resource of 597 million tonnes at an average grade of 899 ppm (0.09%) Li, which equates to a contained 2.857 million tonnes of lithium carbonate equivalent ("LCE"). The Company also reported total inferred mineral resource of 779 million tonnes at an average grade of 888 ppm (0.089%) Li which equates to a contained 3.683 million tonnes of LCE.

On May 9, 2018, the Company commenced a Preliminary Economic Assessment ("PEA") on the Clayton Valley Project to be undertaken by Global Resource Engineering, Ltd. Of Denver, Colorado, an independent engineering services firm.

On September 6, 2018, the Company announced results from the PEA, reporting a net present value of \$1.45 billion at an 8% discount rate.

On October 26, 2018, the Company closed a non-brokered placement financing for total gross proceeds of \$2,010,647 to be used for the completion of the PFS, including further metallurgical studies and related infill drilling, and for general working capital purposes.

On February 14, 2019, the Company selected Ausenco Engineering Canada Inc. as the lead consultant for the PFS.

On February 26, 2019, the Company completed the first phase of metallurgical testing in the PFS and reported that testing confirmed the range of parameters used in the PEA conducted in 2018.

In April 2019, the Company completed its infill drilling program and received assay results at the Clayton Valley Project. The drilling was focused within a one kilometer-square area where six holes were completed to an average of 120 meters below surface grade.

On July 15, 2019, the Company reported on the demonstration of high lithium recoveries for the Clayton Valley Project utilizing extraction processes developed by Lilac Solutions.

On August 29, 2019, the Company achieved a milestone where a commercially viable process was identified based on filtration, to deal with the separation of clay particles from leach solutions.

On November 14, 2019, the Company contracted NORAM Engineering to conduct concept testing for the Clayton Valley Project. On February 27, 2020, the Company received positive initial results from the test program.

On May 19, 2020, the Company announced results from the PFS of the Clayton Valley Project: average annual production of 27,400 tonnes per year LCE, mine life for PFS of 40 years, industry-low cash cost of US\$3,392 per tonne LCE, US 1.052 billion NPV at 8% discount rate after, after tax internal rate of return of 25.8% and payback period of 4.4 years.

On August 11, 2020, the Company announced a mineral resource estimate at the Clayton Valley Project which included measured plus indicated resources of 929.6 million tonnes averaging 1,062 ppm Li or 5.2 million tonnes LCE.

On February 7, 2021, the Company entered into a twelve-month lease agreement with del Sol for the lease of part of their refining facility in the Amargosa Valley. The Amargosa Site is located approximately 110 miles south from Tonopah, Nevada and is used to house the Pilot Plant.

On March 1, 2021, the Company amended the PFS Report (as set out below).

On April 13, 2021, the Company entered into a five-year lease with Nye County, renewable for two additional five-year terms, for 19.64 acres of land adjacent to Tonopah Airport for US\$750 per month.

On May 3, 2021, the Company entered into a mineral property acquisition agreement to acquire 24 unpatented mining claims in the Clayton Valley for strategic purposes.

On May 10, 2021, the Company entered into a letter of intent for the purchase of water rights for the Clayton Valley Project from the Nevada Sunrise Gold Corp. Group.

On May 20, 2021, the Company announced that it has entered into a service agreement with Chemionix to advise on the DLE section of the Pilot Plant.

On July 6, 2021, the Company entered into a share purchase and license agreement with Chemionix for the Pilot Plant Equipment and the use of Chemionex's Lionex Process for both testing in the Pilot Plant and the use, without any further payment, for the Clayton Valley Project.

On September 8, 2021, the Company entered into the Water Rights Agreement, allowing for 1,770 acre-feet of water per year for mining, milling and domestic use.

On October 13, 2021, the Company completed construction and assembly of the Pilot Plant.

On December 7, 2021, the Company successfully started up the Pilot Plant with the completion of a 72-hour test run. On December 8, 2021, the Company completed the purchase of the Permit.

On February 10, 2022, the Company successfully completed a 14-day operating test at the Company's Pilot Plant. During this period, the pilot plant operated continuously treating lithium-bearing claystone from the Company's Clayton Valley Project.

On February 28, 2022, the Company commenced the Feasibility Study on Clayton Valley Project and engaged Wood PLC as the Independent Lead Author.

On June 13, 2022, the Company announced that the Company's Pilot Plant continues to operate successfully, reaching a milestone in the delivery of concentrated lithium solution to two laboratories in Canada for further testing in the production of lithium products.

On June 21, 2022, the Company announced positive results from the DLE portion of its Pilot Plant.

September 19, 2022, the Company achieved a significant milestone with the production of 99.94% lithium carbonate made from lithium-bearing claystone from the Company's 100%-owned Clayton Valley Project.

## **Gunman Project, White Pine Claims, Nevada, USA**

The Company has a 100% interest in certain claims located in White Pine County, Nevada. As at December 31, 2022, the Company had incurred \$441,623 in exploration expenditures, received \$486,970 in option payments and recorded a recovery on exploration and evaluation assets of \$45,347. The property is subject to a 2% NSR. In 2017 the Company entered into an option agreement which provided the optionee with an earn-in option to acquire an initial 51% interest in the property. The Company subsequently granted the optionee a second option to acquire an additional 29% interest. The optionee paid the Company US\$50,000 in respect of the option agreements. On December 5, 2017, the Company entered into an agreement with Pasinex Resources Limited (through its wholly owned subsidiary Pasinex Resources Nevada Limited) (“Pasinex”), whereby the original optionee transferred its previous option to Pasinex.

In order to acquire an initial 51% interest in the project (the “First Option”), Pasinex issued 600,000 of its common shares to the Company, made cash payments of US\$100,000 and had to incur exploration expenditures totaling US\$1,850,000 over the three-year term of the agreement. The Company also granted Pasinex a second option (the “Second Option”) to acquire an additional 29% interest by issuing 200,000 common shares, making a cash payment of US\$250,000 and incurring US\$1,100,000 in exploration expenditures within one year of satisfying and exercising the First Option.

On September 11, 2019, and again on November 27, 2020, the Company and Pasinex amended the Agreement, whereby the First Option was extended to December 31, 2022, and the Second Option was extended to December 31, 2024. As a condition for extending the Agreement, Pasinex paid the Company US\$15,000 (\$19,498) and was required to incur exploration expenditures of US\$200,000 by December 31, 2021. On December 13, 2021, a third amending agreement extended the due date of the US\$200,000 in exploration expenditures from December 31, 2021 to June 30, 2022. As consideration for extension the Company received US\$20,000 (\$25,849) and recognized a recovery on exploration and evaluation assets in the statement of profit or loss during fiscal 2021.

Pasinex completed the required US\$200,000 in exploration expenditures by June 30, 2022. On December 29, 2022, a fourth amending agreement extended the deadline for completion of the First Option Conditions of Exercise from December 31, 2022 to March 31, 2023. Pasinex now has the following cash payments and share issuances to make to the Company to earn the First and Second Options:

<u>Due Date</u>	<u>Cash Payments</u>	<u>Share Issuances</u>	<u>Expenditure Commitments</u>
<b>To acquire 51%:</b>			
By March 31, 2023	-	-	US\$1,400,000
<b>To acquire an additional 29%:</b>			
By December 31, 2024	US\$250,000	200,000	US\$1,100,000
Receipt of a feasibility report within 90 days of exercise of the First Option			
<b>Total</b>	<b>US\$250,000</b>	<b>200,000</b>	<b>US\$2,500,000</b>

## **Goat Claims, Nevada, USA**

The Company entered into a purchase agreement on May 3, 2021 to acquire a 100% interest in 24 unpatented mining claims, comprising 480 contiguous acres in Clayton Valley, Nevada. To acquire the 100% interest, the Company issued 49,000 common shares with a fair value of \$75,950 (Note 9) to the vendor. The claims have no retained or underlying royalties.

## **PREFEASIBILITY STUDY**

### **Amended Prefeasibility Study for Clayton Valley Project**

The Company's NI 43-101 Technical Report on the Project is titled "Prefeasibility Study Clayton Valley Project Esmeralda County, Nevada" with an effective date of August 5, 2020, amended March 15, 2021 (the "PFS Report"). The PFS Report includes the results from all drilling and metallurgical testing, updates to the capital and operating cost estimates, and addresses changes in the physical and economic conditions since the previous technical reports relating to the Project. As the PFS Report was issued in 2021, the Enertopia Project acquired in 2022, including its mineral resources and reserves, is not included in the PFS Report. The Enertopia Project will be incorporated in the Feasibility Study currently in progress.

The following is a summary of the PFS Report. The detailed PFS Report is available for review on the Company's website and also under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **Project Description, Location and Access**

Century commissioned the PFS Report of the Project. The Project is in Esmeralda County, Nevada, six miles east of the community of Silver Peak, and is located within township 2 south, range 40 east, and township 3 south, range 40 east, Mt. Diablo Meridian. Access from Tonopah, Nevada, is by traveling 22 miles south on US Highway 95, then 19 miles west on Silver Peak Road.

*The PFS updates previously disclosed mineral resource estimates and economic assessments.*

## **Mineral Rights and Tenure**

The Project comprises 129 unpatented placer mining claims and 212 unpatented lode mining claims. The claims cover 5,430 acres and provide Century with the rights to all brines, placer and lode minerals on the property. All lode and placer claims are unpatented U.S. Federal claims administered by the U.S. Bureau of Land Management (the "BLM"). The claims are held 100% by Century and subject to an underlying 3% NSR agreement. The royalty can be brought down to a 1% NSR in return for US\$2 million in payments to the original property vendor. The claims require annual filing of "Intent to Hold" and cash payments to the BLM and Esmeralda County totaling \$167 per 20 acres or claim, depending on claim type.

## **History**

The first recorded mining activity in Clayton Valley was in 1864 with the discovery of silver at the town of Silver Peak. The playa in the center of Clayton Valley was mined for salt as early as 1906, and later explored for potash during World War II. Lithium was noted during the 1950s. In 1964, Foote Minerals acquired leases and began production of lithium carbonate at Silver Peak by 1967. Production of lithium carbonate from brine has continued to the present under several companies, currently under Albemarle Corporation.

The occurrence of lithium in sediments of Clayton Valley was reported as early as the 1970s by the United States Geological Survey. In 2015, Century acquired rights to claims on the south and east side of Angel Island. Sampling revealed high lithium concentration in surface sediments. In 2017, Century drilled its first holes in the Dean claim block, followed later that year by drilling in the Glory claim block. In February 2018, Century reported exploration results on the Dean claims in a NI 43-101 technical report. Later in 2018, Century completed additional drilling followed by a NI 43101 technical report Resource Estimate and the PEA.

## **Geological Setting, Mineralization and Deposit Type**

The Clayton Valley is a closed basin near the southwestern margin of the Basin and Range geo-physiographic province of western Nevada. Horst and graben normal faulting is a dominant structural element of the Basin and Range and likely occurred in conjunction with deformation due to lateral shear stress, resulting in disruption of large-scale topographic features. Clayton Valley is the lowest in elevation of a series of regional playa filled valleys, with a playa floor of about 100 square kilometers (km<sup>2</sup>) that receives surface drainage from an area of about 1,300 km<sup>2</sup>.

The valley is fault-bounded on all sides, delineated by the Silver Peak Range to the west, Clayton Ridge and the Montezuma Range to the east, the Palmetto Mountains and Silver Peak Range to the south, and Big Smokey Valley, Alkali Flat, Paymaster Ridge, and the Weepah Hills to the north.

The western portion of the project area is dominated by the uplifted basement rocks of Angel Island which consist of metavolcanic and clastic rocks, and colluvium. The southern and eastern portions are dominated by uplifted, lacustrine sedimentary units of the Esmeralda Formation. Within the project area, the Esmeralda Formation is comprised of fine grained sedimentary and tuffaceous units, with some occasionally pronounced local undulation and minor faulting.

Elevated lithium concentrations, generally greater than 600 ppm, are encountered in the local sedimentary units of the Esmeralda Formation from surface to at least 142 meters below surface grade. The lithium-bearing sediments primarily occur as silica-rich, moderately calcareous, interbedded tuffaceous mudstone, claystone and siltstone.

Lithium occurs in potentially economic concentrations in three types of deposits: pegmatites, continental brines, and clays. Lithium is produced from pegmatites and brines, with brines the largest producer of lithium worldwide. There is no active mining of lithium clay deposits. In clay deposits, lithium is often associated with smectite (montmorillonite) group minerals. The USGS presents a preliminary descriptive model of lithium in smectites of closed basins (AsherBolinder, 1991), Model 251.3(T), which suggests three forms of genesis for clay lithium deposits: alteration of volcanic glass to lithium-rich smectite; precipitation from lacustrine waters; and incorporation of lithium into existing smectites. In each case, the depositional/diagenetic model is characterized by abundant magnesium, silicic volcanic rocks, and an arid environment.

## **Exploration**

Century began exploring the project in late 2015. Exploration activities carried out by Century to the date of the PFS Report included surface sampling, detailed geological mapping, and drilling. In 2016, prior to drilling, Century collected 494 soil and rock chip samples. Results indicated elevated lithium concentrations over most of the project area. Century also conducted surface geologic mapping over most of the project. The geologic information is used as a guide for exploration planning in combination with surface samples and drilling results.

## **Drilling**

Century drilled at the project in 2017, 2018, and 2019 a total of 29 vertical, NQ-size core holes. Drill hole depths ranged from 33 to 142.3 meters, totaling 2,574.9 meters drilled. The drilling results indicate a favorable section of claystone extending to depths of approximately 120 meters, where a strong, apparently planar, alternating oxidation/unaltered zone exists. The lithium content through these zones appears consistent, as do other geochemical factors, and any specific significance of the oxidized and unaltered zones regarding lithium mineralization is not apparent.

## **Sampling, Analysis and Data Verification**

Samples collected at the Clayton Valley Project comprise surface samples and NQ-size drill core. Surface samples of outcropping materials or soil were collected by Century geologists using standard hand tools. Location and material were logged, samples were bagged and marked with number or other designation.

Samples are crushed, split, and pulverized at the laboratory in preparation for analysis. After pulverizing, two subsamples are selected by the lab for duplicate analysis. Century has submitted eight pulp duplicates to a secondary laboratory as check samples, the pulp duplicates are principally used by the primary lab for internal quality control and are not relied on by Century to evaluate the overall quality of the sampling program.

For most samples collected at the project, Century QA/QC procedures were limited to insertion of a certified reference material (“CRM”) standard at a rate of one standard sample per 30 core samples. These standards were purchased in durable, pre-sealed packets. The standard sample assay results were routinely reviewed by Century’s geologists, and the results fell within the anticipated range of variability as described by the manufacturer of the standards. The assay results in total, including standard, core, and surface sample data, provide no indication of systematic errors that might be due to sample collection or assay procedures.

Data verification efforts included on-site inspections of the project, drilling activity, core storage facility, independent laboratory facilities, check sampling, and auditing of the project database.



## Mineral Processing & Metallurgical Testing

Lithium in the deposit is associated with illite and smectite clays. The lithium is amenable to leaching with dilute sulfuric acid leach followed by filtration, solution purification, concentration and electrolysis to produce lithium hydroxide.

Leaching tests were conducted by Continental Metallurgical Services (“CMS”) in Butte, Montana. Tests on solid-liquid separation, tailings handling, and lithium recovery from solution were performed at several laboratories in the US and Canada. All analytical work was supported by ALS Minerals in Reno, Nevada and Vancouver, B.C.

Physical property testing shows the clay is soft, has negligible abrasion and work indices, and readily disaggregates with agitation in water. Testing has shown that leaching must be done at less than 30% solids for the slurry to mix, pump, and flow properly.

Leach tests were conducted on various samples under varying conditions to determine optimum acid concentrations and temperatures in leaching, and whether variability exists by material type. Tests on composite samples from four drill holes in 2019 showed only minor differences with respect to sample depth, oxidation or weathering state of the clay.

Large leach tests were performed on samples to provide slurry for rheology, filtration, and lithium recovery testing. The tests yielded average results of 86.5% extraction of lithium into solution and 126.5 kilograms per tonne for acid consumption.

Testing was conducted to determine a commercial means of solid-liquid separation. Specific conditions and equipment were identified. Solids from filtration tests simulating the final circuit were generated. The solids following single stage washing are suitable for handling by conveyor to a conventional dry-stack tailings facility.

CMS and NORAM Engineering designed and tested critical key elements of the flowsheet for recovering the lithium from solution. The flowsheet uses several stages to remove impurities and recycle 85% of the inflow back to leaching. The remaining 15% is treated by evaporation, followed by crystallization of salts and recovery of free sulfuric acid. Sulfuric acid is returned to the leach circuit along with the water recovered from evaporation. The NORAM Engineering-CMS test program was successful in yielding a concentrated lithium solution containing 1.85% lithium with low impurities and suitable for direct production of lithium hydroxide after additional treatment. Mineral Resources

The mineral resource estimate is based on all drilling results from the Project, totaling 33 core drill holes.

The reported mineral resource is pit constrained by an “ultimate” pit that extends to the property boundaries and uses slope angles determined from geotechnical study described in Section 16.0 of the PFS Report. The area around and beneath the tailings facility is excluded from the pit constrained mineral resource.

The pit-constrained mineral resource (Table 1-1) totals 1,304.2 million tonnes averaging 904.7 parts per million (ppm) Li in the indicated resource. Lithium contained in the pit-constrained indicated resource totals 1,179.9 million kg of Li, or 6.28 million tonnes of LCE.

**Table 1-1: Summary of Mineral Resources**

Domain	Tonnes Above Cutoff (millions)	Li Grade (ppm)	Li Contained (million kg)
Indicated			
Tuffaceous mudstone	91.4	656.8	60.1
Claystone all zones	956.9	973.9	932.0
Siltstone	255.8	734.2	187.8
<b>Total</b>	<b>1,304.2</b>	<b>904.7</b>	<b>1,179.9</b>
Inferred			
Tuffaceous mudstone	39.9	560.2	22.3
Claystone all zones	146.2	792.5	115.9
Siltstone	50.3	821.9	41.4

<b>Total</b>	<b>236.4</b>	<b>759.6</b>	<b>179.6</b>
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1. The effective date of the mineral resource estimate is August 5, 2020. The QP for the estimate is Ms. Terre Lane of Global Resource Engineering Ltd. and is independent of Century.
2. The mineral resources were determined at a 400 ppm Li cut-off and specific gravity of 1.505.
3. The mineral resource estimate was prepared with reference to the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards (“2014 CIM Definition Standards”) and with the generally accepted CIM’s “Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 29, 2019).
4. Cautionary statements regarding mineral resource estimates: mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves. Inferred mineral resources are the part of a mineral resource for which quantity and grade or quality are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological, and grade or quality continuity.

## Mineral Reserves

The indicated resources were used to determine the mineral reserves as described in Sections 14.0 and 15.0 of the PFS Report.

Within the ultimate pit shell, 16 pit phases were constructed, expanding from initial mining in the southwest to the northeast. For the production schedule and analysis, only the first eleven phases are used to produce a mine life of approximately 40 years. The cumulative result for all eleven phases forms the mineral reserves in Table 1-2.

**Table 1-2: Summary of Mineral Reserves**

<b>Domain</b>	<b>Tonnes Above Cutoff (millions)</b>	<b>Li Grade (ppm)</b>	<b>Li Contained (million kg)</b>
<b>Probable Reserve</b>			
<b>Total</b>	<b>213.3</b>	<b>1,129</b>	<b>240.9</b>

1. The effective date of the mineral reserve estimate is August 5, 2020. The QP for the estimate is Ms. Terre Lane of Global Resource Engineering Ltd. and is independent of Century.
2. The mineral reserve estimate was prepared with reference to the 2014 CIM Definition Standards and the with generally accepted CIM’s “Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 29, 2019).
3. Mineral reserves are reported within the pit design at a mining cut-off of 900 ppm.
4. The cut-off of 900 ppm is an optimized cut-off selected for the mine production schedule. The mineral reserve cutoff exceeds the 400-ppm economic mineral resource cut-off to accelerate return on capital, maximize operating margins, and reduce risk. Material between the economic cut-off and is the optimized cut-off is stockpiled for future processing.
5. The mineral reserves are derived from and not separate from the mineral resources.
6. No inferred resources are included in the mineral reserves or given value in the economic analysis.

The mineral reserve is classified as a probable reserve as described in Section 15.1.3 of the PFS Report. The probable reserve contains 240.9 million kg of Li, or 1.28 million tonnes LCE.

## Mining Operations

Mining will be carried out using conventional surface methods. Excavation will use a single Caterpillar 6020B or equivalent shovel (hydraulic excavator configuration) with a 12 m<sup>3</sup> bucket capacity. The initial pit is based on the first eight phases of the ultimate pit (Table 1-3) and were developed to mine higher-grade material, and a preliminary mining schedule was generated for the base case scenario based on a nominal daily production rate of 15,000 tonnes/day (tpd) of mill feed. No drilling or blasting will be required.

**Table 1-3: Initial Pit Production by Phase**

<b>Pit Phase</b>	<b>Ore Tonnes (millions)</b>	<b>Low Grade Tonnes (millions)</b>	<b>Waste Tonnes (millions)</b>	<b>Ore Li Contained (millions Kg)</b>	<b>Ore Li Grade (ppm)</b>	<b>Stripping Ratio</b>
1	29.9	0.36	0.70	35.9	1,199	0.04
2	16.2	0.03	2.5	18.9	1,165	0.16
3	23.8	1.01	3.6	26.7	1,122	0.19
4	12.3	1.06	2.3	14.4	1,169	0.27
5	33.4	7.4	2.2	37.0	1,109	0.29
6	32.5	7.5	2.6	36.8	1,131	0.31
7	14.1	0.21	2.9	16.0	1,140	0.22
8	34.3	6.0	2.3	38.6	1,125	0.24
9	4.1	9.0	0.0	4.0	968	2.20
10	5.7	5.1	0.0	5.6	994	0.89
11	7.0	6.0	0.0	7.0	1,001	0.86
<b>Pit Phase</b>	<b>Ore Tonnes (millions)</b>	<b>Low Grade Tonnes (millions)</b>	<b>Waste Tonnes (millions)</b>	<b>Ore Li Contained (millions Kg)</b>	<b>Ore Li Grade (ppm)</b>	<b>Stripping Ratio</b>
<b>Total</b>	<b>213.3</b>	<b>43.6</b>	<b>19.1</b>	<b>240.9</b>	<b>1,129</b>	<b>0.29</b>

The processable material will be removed from the pit using in-pit, semi-mobile feeder-breaker with conveyors. The production equipment includes a 12 m<sup>3</sup> hydraulic excavator and scrapers to haul lower grade claystone to a waste dump. The stripping ratio is 0.29:1. The mine operates on a two 10-hour shift, 7 days/week schedule.

## Infrastructure

Access to the project is via Silver Peak Road. The east side of Angel Island was identified for the plant location based upon proximity to the road, power, mine area, and favorable topography.

Facilities on-site include administration, laboratory, warehouse, reagent storage, sulfuric acid plant, crushing, leaching and lithium recovery areas, mine shop, and fuel and reagent storage areas.

An acid plant, with 2,500 tpd of acid capacity, is a key item of infrastructure. The plant will burn elemental sulfur to create sulfuric acid and, in the process, generate steam to heat leach tanks. The plant will also be equipped for power generation.

Tailings will be conveyed from the filtration area and stacked in tailings facility south of the plant by conveyor. Dozers will be used for final spreading and contouring.

Century has evaluated options for securing makeup water estimated at 2,000 gallons per minute. A specific source and related costs are excluded from the study. Allowances are included in the estimates for constructing supply wells, pipeline, and power.

## Permitting and Environmental

Environmental permitting requirements for the Project are expected to be similar to other mines in Nevada. The permitting process consists of submitting a Plan of Operations to the BLM, who will act as lead agency, conducting environmental baseline studies, and preparing an Environmental Impact Statement along with other permit applications prior to site development and operations. The applications will include consideration of reclamation, surface water, groundwater and air pollution prevention plans, and other items common to mining operations in the State of Nevada. Permits and plans will include all applicable monitoring, reporting schedules, bonding and fees. The time frame for permitting the project is estimated at 18 to 24 months.

A Phase I Environmental Site Assessment of the project was conducted in 2019 and found no existing environmental liabilities. A Threatened and Endangered Species Preliminary Study was also completed. Initiation of field studies is included in the recommendation.

## Capital and Operating Costs

### Capital Costs

The capital and operating costs are estimated according to accepted methods for prefeasibility studies. The estimates constitute a Class 4 estimate, as defined by the AACE International, and have an accuracy of +30%/-15%. All costs are presented in Q1 2020 US\$. The initial capital costs total US\$493 million, which includes US\$95 million in contingency plus working capital. Vendor quotes, internal data and public information were used along with construction factors to estimate direct costs. Indirect costs allow for EPCM, freight, sales tax and Owners Costs. Contingency at 20% is applied to the direct and indirect costs.

**Table 1-4: Capital Cost Summary**

Area	US\$'000
Facilities	5,891
Mine	34,768
Plant	306,855
Infrastructure	25,907
Owners Costs	24,992
Contingency and Working Capital	94,704
<b>Total CAPEX</b>	<b>493,115</b>

### Operating Costs

The operating costs were developed for the operation sized to at the nominal mill rate of 15,000 tpd. The estimated operating costs total an average of US\$91.9 million/year, or US\$16.90/t.

**Table 1-5: Operating Cost Summary**

Area	Avg Annual US\$'000	Mill Feed US\$/t
Mining	10,787	1.98
Processing	77,588	14.27
G&A	3,550	0.65
<b>Total OPEX</b>	<b>91,925</b>	<b>16.90</b>

The operating costs are developed from estimates of labor, operating and maintenance supplies, and power. The total labor force required for the operation is estimated at 183 on-site employees.

Acid plant operations are a major component in the operating costs and account for one third of the total operating cost based on a delivered cost of US\$145 per tonne for sulfur. The acid plant has capacity to generate 93% of the power required by the operation and will have surplus power available when the operation is running. No allowances are made in the operating cost estimates for potential power sales or offsets.

## Economic Analysis

An after-tax discounted cash flow model was prepared using the information and estimates in the PFS Report. The model includes federal, state and local taxes.

The nominal production rate at full operation is set at 15,000 tpd, or 5.475 million tonnes/year (tpy). The production schedule uses the material from the first eight pit phases, which results in a 40-year mine life, and 213 million tonnes of mill feed at an average grade of 1,129 ppm Li. Recovery of lithium is estimated at 83%. The resulting annual output averages 27,400 tpy of LCE.

The economic evaluation is reported in terms of LCE using an average price of US\$9,500 per tonne. The price assumption reflects variations expected over time due to start-up and type of lithium product.

The only revenue stream considered is from the sale of lithium products. No revenues are included for any other byproducts. Such revenues remain to be determined.

No credit is taken for power sales or offsets on purchased electricity. Results for the project base case are:

- Average annual production of 27.4 million kg of LCE.
- Cash operating cost of US\$3,387/tonne LCE
- After-tax US\$1.030 billion NPV at 8% discount rate
- After-tax IRR of 25.8%
- Payback period of 4.4 years
- Break-even price (0% IRR) of US\$4,081/t LCE

The cash flow model is most sensitive to changes in lithium price. Sensitivities to lithium price, capital and operating cost are shown in Table 1-6.

**Table 1-6: Economic Sensitivity (US\$)**

Variation	50%	Base Case	150%
Lithium Price \$/t LCE	\$4,750	\$9,500	\$14,250
NPV-8% IRR	\$-0.14 billion 5.0%	\$1.030 billion 25.8%	\$2.142 billion 41.3%
Capital Cost	\$247 million	\$493 million	\$740 million
NPV-8% IRR	\$1.252 billion 46.2%	\$1.030 billion 25.8%	\$807 million 17.8%
Operating Cost	\$1,664/t LCE	\$3,387/t LCE	\$4,993/t LCE
NPV-8% IRR	\$1.407 billion 31.2%	\$1.030 billion 25.8%	\$647 million 19.7%

Note: IRR (internal rate of return) and NPV (net present value) are both shown after-tax

## Interpretation and Conclusions

The Project has mineral resources and mineral reserves to support a mine life in excess of 40 years at a production rate at 27,400 tpy LCE and an average estimated operating cost of US\$3,387/tonne LCE. The project risks are typical of a mining project at a prefeasibility level of study and further work with respect to processing and permitting are needed to advance the project to the feasibility level. A pilot plant program and environmental studies are needed to advance the project to the feasibility stage.

## Recommendations and Risks

The recommendations to advance the project are:

- Processing—Additional test work is needed to confirm the process flowsheet and determine recoveries and reagent consumptions at the pilot stage. Critical information includes,
  - confirm steps and equipment in leaching and filtration;

- conduct further work to enhance solid-liquid separation and reduce acid consumption;
- determine lithium and acid losses in the processing plant if any;
- optimize solution handling in the plant and determine if bleed streams or additional treatment are needed to recycle solutions; and
- determine whether potassium, magnesium, rare earth elements and other elements have commercial value.
- Mining—Drilling or limited test mining is required to obtain material for metallurgical testing.
- Permitting—A field program is required to determine if any species of concern are present and to gather data to prepare a Plan of Operations.
- Infrastructure—Feasibility-level designs for the mine, plant and tailings storage areas can begin. Further determination of project power and water supply are needed.

Cost of the programs is estimated at US\$7,250 million.

**Table 1-7: Estimated Pilot Plant Costs**

Area	US\$ x 1000
Pre-program studies	150
Sample procurement	500
Infill drilling	500
Equipment	
Leaching	650
Lithium Recovery	2,600
Operating expenses	1,500
Contingency	1,350
<b>Total Program</b>	<b>7,250</b>

The potential risks at this stage of the Project are:

- Recovery of lithium from the project was not proven at a commercial scale. Further testing in a pilot plant is needed;
- Production is potentially limited by the availability and cost of sulfur and its transportation;
- The project is most sensitive to lithium market prices which are currently dependent on the demand for lithium batteries in electric vehicles and energy storage; and
- Environmental permitting is subject to presence of flora, fauna or other conditions which are yet to be determined.

## Selected Annual Information

	Years Ended December 31 (audited)		
	2022	2021	2020
Interest income	\$ 518,712	\$ 19,663	\$ 3,221
Foreign exchange gain	\$ 576,123	\$ 640,544	\$ -
Loss for the year	\$ 4,964,446	\$ 2,688,372	\$ 862,941
Loss per share:			
Basic - fully diluted -	\$ 0.03	\$ 0.02	\$ 0.01
Total Assets	\$ 58,319,120	\$ 37,274,018	\$ 6,864,765
Long Term Debt	\$ 571,900	\$ 811,257	\$ -
Total Exploration and Evaluation Assets	\$ 28,601,926	\$ 11,508,837	\$ 4,644,707

During the years 2020 to 2022, the Company received interest income on cash and cash equivalents and guaranteed investment certificates. The fluctuation in interest earned reflects the changing amounts on deposit and varying interest rates.

The foreign exchange gain resulted from the Company transferring funds from the Canadian dollar accounts into two US\$ savings accounts and a subsequent increase in the value of the US\$ versus the Canadian dollar.

## **Financial Year ended December 31, 2022 Compared to Financial Year Ended December 31, 2021**

### *Private Placements*

During the fiscal year 2022, the Company closed a bought deal offering, pursuant to a short form prospectus, consisting of 9,058,000 units of the Company at a price of \$2.00 per unit for gross proceeds of \$18,116,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant being exercisable into an additional common share at an exercise price of \$2.65 for a period of two years, expiring on February 4, 2024. The Company bifurcated the value between the components of the units sold using a residual value approach. The result was an allocation of \$16,645,840 to capital stock, with the residual value of \$1,470,160 being allocated to reserves for the warrant component of the units.

In connection with the financing, the Company paid a 6% commission in the amount of \$1,088,323 and incurred additional issuance costs of \$381,834. Further, the Company issued a total of 543,480 finders' warrants, with each finders' warrant being exercisable into one common share for a period of two years at a price of \$2.00, expiring on February 4, 2024.

The finders' warrants were valued at \$465,597 using the Black-Scholes option pricing model with the following assumptions: estimated life of 2 years, volatility of 91.03%, dividend rate of 0% and risk-free interest rate of 1.36%. Using these assumptions, the fair value of each finders' warrant was \$0.86.

During fiscal 2021, the Company closed a bought deal offering, pursuant to a short form prospectus, consisting of 15,640,000 units of the Company at a price of \$1.25 per unit for gross proceeds of \$19,550,000. Each unit consisted of one common share of the Company and one common share purchase warrant, with each warrant being exercisable into an additional common share at an exercise price of \$1.75 for a period of three years, expiring on March 22, 2024. Consistent with the Company's accounting policy, the Company bifurcated the value between the components of the units sold using a residual value approach. The result was an allocation of \$18,768,000 to capital stock, with the residual value of \$782,000 being allocated to reserves for the warrant component of the units.

In connection with the financing, the Company paid a 6% commission in the amount of \$1,173,000 and incurred additional issuance costs of \$330,621. Further, the Company issued a total of 938,400 finders' warrants, with each finders' warrant being exercisable into one common share for a period of three years at a price of \$1.25, expiring on March 22, 2024.

The finders' warrants were valued at \$649,580 using the Black-Scholes option pricing model with the following assumptions: estimated life of 3 years, volatility of 88.55%, dividend rate of 0% and risk-free interest rate of 0.48%. Using these assumptions, the fair value of each finders' warrant was \$0.69.

### *Revenue*

The Company is in the exploration and development stage and does not generate any revenue. Interest income for the year ended December 31, 2022, was \$518,712 (2021 - \$19,663). The increase of \$499,049 is attributable to the increased holdings of Guaranteed Investment Certificates ("GIC") and rising Prime Interest Rates.

### *Loss for the Year*

For the year ended December 31, 2022, the Company reported a loss of \$4,964,446 or a \$0.03 loss per share. Comparatively, the Company had a loss of \$2,688,372 or a \$0.02 loss per share in 2021. The Company's expenses of \$6,059,281 (2021 - \$3,380,428) increased by \$2,678,853 as compared to the previous year, reflecting the increase in the Company activities for the year.

The most material increases were:

- Share-based compensation expense, a non-cash item, increased from \$1,170,146 in 2021 to \$3,057,107 in 2022 and is directly attributable to the number of stock options granted during the year. The Company issued 1,595,000 stock options in 2022 and 2,845,000 in 2021.
- Salaries and wages increased from \$316,576 in 2021 to \$488,656 in 2022. This was due to the full year of engagement for both the CFO and Vice President, Investor Relations, who were appointed in May and August 2021, respectively.
- Shareholder communications increased from \$395,816 in 2021 to \$790,595 in 2022 due to increased tradeshows and conferences.
- Finance costs increased from \$12,916 in 2021 to \$138,824 in 2022 due to the lease entered on December 1, 2021.

The Company incurred exploration and development expenditures of \$10,649,574 (2021 - \$6,630,222) on its Clayton Valley Project. The Company incurred \$6,443,515 (2021 - \$233,908) in acquisition costs and received \$Nil (2021 - \$25,849) in option payments in the current year.

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

The Company's administrative function is largely outsourced to a private company that provides office and administrative services to various public companies on a short-term contract basis. The private company is a related party to the Company as it is owned by a director of the Company.

As at December 31, 2022, \$54,693 (December 31, 2021 - \$38,706) is included in accounts payable and accrued liabilities owing to Directors and/or companies under their control.

### **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).



	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022</b>	<b>March 31, 2022</b>
Total assets	\$ 58,319,120	\$ 59,136,485	\$ 59,333,213	\$ 54,069,322
Working capital	\$ 26,947,805	\$ 31,372,555	\$ 33,785,975	\$ 38,545,166
Revenue	\$ -	\$ -	\$ -	\$ -
Loss for the period	\$ 2,020,264	\$ 236,642	\$ 1,369,598	\$ 1,337,942
Net loss per share: Basic and fully diluted	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.00

	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>
Total assets	\$ 37,274,018	\$ 28,416,654	\$ 25,740,084	\$ 25,918,317
Working capital	\$ 22,953,963	\$ 19,639,277	\$ 19,271,028	\$ 20,462,381
Revenue	\$ -	\$ -	\$ -	\$ -
Loss for the period	\$ 1,600,390	\$ 123,175	\$ 254,159	\$ 710,648
Net loss per share: Basic and fully diluted	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01

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

For the quarter ended December 31, 2022, the Company reported a loss of \$2,020,264 or a \$0.014 loss per share. Comparatively, the Company had a loss of \$1,600,390 or a \$0.013 loss per share in the same quarter in 2021. The Company's expenses of \$2,081,715 (2021 - \$1,598,877) increased by \$482,838 as compared to the same quarter in the previous year, reflecting the increase in the Company's activities.

The most material increases were:

- Accounting and audit fees increased from \$101,809 in 2021 to \$145,805 in 2022, mainly due to tax consultation, an increase in operational activities at the Project, and quarterly reviews of the Financial Statements by the Company's auditors.
- Salaries and wages increased from \$97,759 in 2021 to \$150,784 in 2022 due to the CEO being brought onto salary in December 2022.
- Shareholder communications increased from \$151,934 in 2021 to \$326,483 in 2022 due to increased marketing activities following the appointment of the Vice President, Investor Relations.

Total assets were \$58,319,120 at year-end 2022 compared to \$59,136,485 at quarter-end Q3 2022. The decrease of \$817,365 is attributable to the Q4 2022 spend on General and Administrative Expenses.

Working capital decreased \$4,242,750 from \$31,372,555 at September 30, 2022 to \$26,947,805 at December 31, 2022 mainly reflecting the increased spend to fund company operations.

### **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 December 31, 2022, the Company had cash of \$26,550,120 compared to \$23,137,155 at December 31, 2021. The Company is also holding \$700,000 of Short-term Investments at December 31, 2022 (\$Nil at December 31, 2021). 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 year the Company closed a bought deal offering whereby the Company issued a total of 9,058,000 units of the Company at a price of \$2.00 per unit and 142,000 warrants at a price of \$0.16 per warrant, raising aggregate gross proceeds of \$18,138,720.

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 \$26,947,805 at December 31, 2022, consisting of cash and cash equivalents of \$26,550,120 and short-term investments, receivables, prepaids and marketable securities of \$471,227, less accounts payable and accrued liabilities of \$534,187 and the \$239,355 current portion of the lease liability, as compared to working capital of \$22,953,963 at December 31, 2021.

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:

	2022	2021
<i>Charged to profit and loss:</i>		
Amanda Chow – Director - resigned during 2021	\$ -	\$ 24,500
Bryan Disher – Director	57,995	4,833
Don Huston – Director, Chairman - resigned during 2021	-	108,125
Abraham Jonker – CFO	195,867	226,800
Cassandra Joseph – Director, Chair	64,980	24,220
Don Myers – Director	48,000	100,625
Ken Owen – Director	53,417	4,000
Jim Pettit – Director	48,000	70,375
Sentinel Market Services Ltd. - a company owned by Jim Pettit	374,886	-
Willoughby & Associates, PLLC - a company owned by William Willoughby, President, CEO and a Director of the Company	-	95,494
Sub-total	843,145	658,972

*Capitalized to exploration and evaluation assets*

William Willoughby, President, CEO and a Director of the Company	335,088	-
Willoughby & Associates, PLLC - a company owned by William Willoughby	893,040	139,907
Sub-total	1,228,128	139,907

<i>Share-based compensation</i>	1,968,383	753,973
Total expense	\$4,039,656	\$ 1,552,852

As at December 31, 2022, \$Nil (December 31, 2021 - \$132,370) is owing from key management in relation to income taxes due on stock options exercised during the year.

As at December 31, 2022, \$54,693 (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. Prior to November 2021, the private company provided office and administrative services to the Company under a short-term contract on a cost recovery basis. In November 2021, the Board of Directors approved a revised contract with the private company for the provision of these services for a fixed price of \$27,500 per month, reviewable quarterly.

**Balance Sheet Arrangements**

At December 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 event occurred subsequent to December 31, 2022:

*Name Change and New Trading Symbol*

Effective January 27, 2023, Century Development Corp. changed its name to Century Lithium Corp. and commenced trading on the TSX-V under the symbol 'LCE'. The CUSIP number is 156615106.

*Exercise of Warrants*

The Company issued 6,412 common shares pursuant to the exercise of warrants and received proceeds of \$8,015.

**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 December 31, 2022, the Company had cash and cash equivalents of \$26,550,120 to settle current liabilities of \$773,542 and had working capital of \$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 \$15,479,595 in interest-bearing savings accounts with banks as at December 31, 2022 (December 31, 2021 - \$22,437,155) and \$11,700,000 (December 31, 2021 - \$700,000) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of \$70,525 (December 31, 2020 - \$42). A 1% change in interest rates would have an effect of \$267,724 (2021 - \$224,372) 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 currency of \$11,455,547 (December 31, 2021 - \$10,407,963) as of December 31, 2022, the Company has \$454,490 (December 31, 2021 - \$58,269) in liabilities to US payees. A 1% change in foreign exchange rates would have an effect of \$110,011 (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.

(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.cypressdevelopmentcorp.com](http://www.cypressdevelopmentcorp.com) and also on SEDAR at [www.Sedar.com](http://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 March 24, 2023 the following were outstanding:

Share capital - issued and outstanding	147,464,548
Options	6,750,000
Warrants	21,134,679
Shares held in escrow	Nil