



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

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

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

NEWS RELEASE

October 1, 2018

Cypress Development Files Preliminary Economic Assessment (PEA) for Clayton Valley Lithium Project, Nevada, Begins Prefeasibility Study

Vancouver, BC - Cypress Development Corp. (TSX-V: **CYP**) (OTCQB: **CYDVF**) (Frankfurt: **C1Z1**) (“Cypress” or the “Company”) is pleased to announce that a National Instrument 43-101 Technical Report titled “Preliminary Economic Assessment Technical Report for Clayton Valley Lithium Project, Esmeralda County, Nevada” has been filed. The Report is available for review under the Company's profile on SEDAR at www.sedar.com, and on the Company's website at www.cypressdevelopmentcorp.com. The Report was prepared by Global Resource Engineering (GRE) of Denver, Colorado, an independent engineering services firm with extensive experience in mining and mineral processing.

Dr. Bill Willoughby, Cypress CEO commented “Finalizing the PEA for Clayton Valley is a significant milestone. The project has advanced from the first drill hole to a positive PEA in under two years. Our next steps have the potential to unlock shareholder value as we continue with infill drilling, further metallurgical studies, and a prefeasibility study to provide more detailed information related to the project's economic assumptions.”

Results from the PEA were announced on [September 6](#), 2018 and highlights are summarized below. Values are in US dollars.

PEA Summary:

| After tax cash flow analysis (US Dollars) | |
|--|----------------------------|
| Internal rate of return (IRR) | 32.7% |
| Net present value (NPV-8%) | \$1.45 billion |
| Operating rate | 15,000 tpd for 40 years |
| Capital cost estimate | \$482 million over 2 years |
| Payback period | 2.7 years |
| Net lithium recovery | 81.5% |
| Base case price for lithium carbonate | \$13,000/tonne |

| | |
|--------------------------------------|---------------|
| Average production lithium carbonate | 24,042 tonnes |
| Operating cost for lithium carbonate | \$3,983/tonne |

The base case price for lithium carbonate was based upon a market study by Benchmark Research. The PEA included updated mineral resources with an Indicated Resource of 831 million tonnes at 867 ppm Li (3.835 million tonnes LCE) and an Inferred Resource of 1.12 billion tonnes at 860 ppm Li (5.126 million tonnes LCE), based upon a cut-off grade of 300 ppm Li.

PFS Underway:

GRE recommends the Prefeasibility Study (PFS) as the next step for the project. The PFS will include infill drilling to upgrade resource categories and optimize the production schedule within the mine area. Metallurgical testing will include determining optimum leach conditions and configuration of the process plant as well as further testing at the bench-scale to demonstrate production of high purity lithium carbonate suitable for battery usage.

Within the recommendations is testing to investigate rare earth elements, most notably scandium, neodymium and dysprosium, that were identified in solution during the PEA and could be potentially recoverable by-products. Additionally, study of alternative processing methods, such as membranes and ion exchange resins, and trade-off studies related to capital and saleable electrical generation for the acid plant are recommended.

Initiation of baseline data collection, hydrology and geotechnical studies will also be conducted. The PFS carries a total estimated budget of \$800,000. Cypress intends to follow the recommendations, beginning with infill drilling to start in the next 1-2 months, and metallurgical test work which has already begun. Cypress anticipates the PFS to be completed in Q1 2019.

About the PEA:

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Global Resource Engineering (GRE) of Denver, Colorado, prepared the NI 43-101 Technical Report. Terre A. Lane, J. Todd Harvey, Hamid Samari, and J. J. Brown of GRE, and Todd Fayram of Continental Metallurgical Services are the Qualified Persons for the Report.

The information contained in this news release relating to the PEA has been reviewed and approved by Terre Lane of GRE, who is a "Qualified Person" as the term is defined in National Instrument 43-101 and is independent of Cypress. GRE has reviewed and approved the presentation of the PEA information in this news release.

About Cypress Development Corp.:

Cypress Development Corp. is a publicly traded exploration company focused on developing the Company's 100%-held Clayton Valley Lithium Project, located immediately east of Albemarle's Silver Peak mine, North America's only lithium brine operation. Recent exploration by Cypress has discovered an extensive deposit of lithium-bearing claystone adjacent to the brine field.

Cypress Development Corp. has approx. 62.4 million shares issued and outstanding.

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

CYPRESS DEVELOPMENT CORP.

"Dr. Bill Willoughby"

WILLIAM WILLOUGHBY, PhD., PE
Chief Executive Officer

For further information contact myself or:

Don Myers

Cypress Development Corp.

Director, Corporate Communications

Telephone: 604-639-3851

Toll Free: 800-567-8181

Facsimile: 604-687-3119

Email: info@cypressdevelopmentcorp.com

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS NEWS RELEASE.

This release includes certain statements that may be deemed to be "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that management of the Company expects, are forward-looking statements. Although management believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results or developments may differ materially from those in the forward-looking statements. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause actual results to differ materially from those in forward-looking statements, include market prices, exploration and development successes, continued availability of capital and financing, and general economic, market or business conditions. Please see the public filings of the Company at www.sedar.com for further information.