CENTURY LITHIUM CORP.
(Formerly Cypress Development Corp.)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS
ENDED SEPTEMBER 30, 2023

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 November 17, 2023. Information herein is provided as of November 17, 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"**) and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022**,** which are presented in Canadian dollars, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. 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 October 3, 2023 (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.

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. Please refer to the Annual Information Form for further details regarding various risks and uncertainties facing the Company.

BUSINESS OVERVIEW

Century is a public company listed on the TSX Venture Exchange under the symbol "LCE" (effective as of January 30, 2023 - formerly "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 Project in southwestern Nevada, USA (**"Clayton Valley Project"**) and is currently operating a pilot plant operation based in Amargosa Valley, Nevada (**"Pilot Plant"**). Century initiated a feasibility study for the Clayton Valley Project (**"Feasibility Study"**) in February 2022 and is currently working toward its completion. For further information on the Clayton Valley Project and the Company's business, please refer to the Annual Information Form.

HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Highlights for the quarter

Operational

- Feasibility Study continues with work on optimization and evaluating economic scenarios
- Pilot Plant completed 22 months of safe operations
- Collaboration with Koch Technology Solutions LLC ("KTS") is ongoing on the direct lithium extraction ("DLE") section of the Pilot Plant with results to date meeting expectations
- Continued success in producing high purity lithium carbonate at Saltworks Technologies Inc. ("Saltworks")
- Provisional patent obtained protecting the Company's flowsheet for lithium extraction
- Baseline studies ongoing for data collection and reports to government agencies.

Corporate

- Appointment of Dr. Corby Anderson as Non-Executive Director

Recent Developments and Outlook

The Company's third quarter focused on the Feasibility Study and Pilot Plant operations for the Company's Clayton Valley Project.

Work on the Feasibility Study continued with reviews of capital and operating cost estimates with consultants Wood PLC and Thyssenkrupp Nucera. Estimates were revised based on optimization and the evaluation of economic scenarios including schedule for start-up and potential by-products. Review continued with third party consultants of project designs and estimates with attention to site development, material and supply costs, and construction methods. The Feasibility Study report is undergoing drafting and the majority of the work remaining is focused on completion of the economic model, sensitivity analysis, and finalizing capital and operating cost estimates for a phased start-up schedule.

The chlor-alkali plant is expected to produce sodium hydroxide as a by-product of hydrochloric acid generation. A significant amount of the sodium hydroxide will not be utilized in the Project's processing facility and has the potential to contribute to the Project's future cash flows through by-product sales. Work is underway to quantify the potential for and pricing of sodium hydroxide sales in the western U.S., the modifications required to the chlor-alkali plant design to bring a salable product to market, and the resultant economic benefits to the Project.

At the Pilot Plant, the collaboration with KTS continued in the DLE section utilizing Koch's Li-Pro™ equipment. On August 9, 2023, the Company reported successful integration of KTS's equipment into the Pilot Plant's DLE area, resulting in an increase of lithium grades in the intermediate solution produced at the Pilot Plant to the highest levels to date, with an average grade of 7.5 grams lithium/liter. Following quarter end, additional improvements to the intermediate lithium solution lithium grades were recorded and are undergoing testing for consistency.

On August 21, 2023, the Company reported further successful production of battery grade lithium carbonate from Pilot Plant solutions treated at Saltworks in Richmond, Canada. Saltworks repeated production of high-purity (99.87%) lithium carbonate accompanied by the reduced volume of solution in treatment and recycling. Ongoing work at the Pilot Plant in the DLE area is focused on eliminating or reducing mechanical evaporation from the Saltworks portion of the process flowsheet, a step expected to reduce a portion of capital and operating costs in this area.

On September 7, 2023, the Company reported it obtained a provisional patent with the U.S. Patent and Trademark Office, U.S. Department of Commerce titled System and Method for Extracting Lithium from Clay and Other Materials in a Chloride Solution Using Individualized Pretreatments. The patent pending process encompasses the Company's flowsheet as developed at the Pilot Plant and included intellectual property pertaining to the handling of solutions derived from the treatment of solid materials.

Throughout the quarter, baseline data collection continued for the preparation of reports for submission to government agencies.

On July 7, 2023, the Company announced the appointment of Dr. Corby Anderson as a Non-Executive Director. Dr. Anderson is a Licensed Professional Chemical Engineer with over 40 years of global experience in engineering, design, industrial plant operations, corporate level management, education, research, and professional service. He holds degrees in Chemical and Metallurgical Engineering and a PhD in Mining Engineering and Metallurgy from the University of Idaho. He most recently assisted Century as its Technical Advisor, Metallurgy.

On January 30, 2023, the Company formally changed its name from Cypress Development Corp. to Century Lithium Corp**.**

SECOND QUARTER FINANCIAL RESULTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30

	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	3 months	3 months	9 months	9 months
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative, office and miscellaneous	$140,250	$96,528	$418,986	$379,707
Consulting fees	16,688	90,943	103,695	209,025
Directors' fees	61,583	71,190	197,577	208,959
Finance costs	25,346	33,782	82,642	107,035
Legal	59,503	21,848	211,208	136,265
Salaries and wages	114,066	112,836	442,939	337,872
Share-based compensation	189,822	337,410	622,309	1,987,948
Shareholder communications	224,180	158,112	883,623	464,112
Transfer agent and filing fees	2,232	1,948	42,960	76,357
Travel	9,557	17,636	77,986	70,286
	(843,227)	(942,233)	(3,083,925)	(3,977,566)
Foreign exchange gain (loss)	211,539	542,925	(172,517)	766,189
Interest income	204,435	174,666	651,736	273,195
Unrealized gain (loss) on marketable securities	(12,000)	(12,000)	(6,000)	(6,000)
Loss and comprehensive loss for the period	$(439,253)	$(236,642)	$(2,610,706)	$(2,944,182)
Basic and diluted loss per common share	$0.00	$ 0.00	$(0.02)	$(0.02)

Nine months ended September 30, 2023, compared to nine months ended September 30, 2022:

The Company's expenses of $3,083,925 (2022 - $3,977,566) decreased by $893,641 compared to the same period in the previous year, which is mainly driven by the decrease of $1,365,639 in shared-based compensation, a non-cash item, offset by the increase in shareholder communications of $419,511. Income in the current period is derived from interest income on cash balances of $651,736.

- Consulting fees decreased by $105,330 due to the Company disengaging from certain financial services firms contracted during the nine-months ended September 30, 2022.
- Salaries and wages increased by $105,067 as the result of bonuses paid to both the CEO and CFO during May 2023.
- Share-based compensation expense decreased from $1,987,948 in 2022 to $622,309 in 2023. This is a non-cash item directly attributable to the number of stock options that vested during the period.
- Shareholder communication increased from $464,112 to $883,623 reflecting the Company's increased focus on corporate communication and investor relations following the appointment of its Vice President Investor Relations. The Company expects to reduce these expenditures in Q4 2023, and cost reduction is expected to continue in 2024.

The Company incurred exploration and development expenditures of $7,525,412 (nine months ended September 30, 2022 - $8,653,980) on its Nevada, USA claims. The decrease from the prior year's spending is largely attributed to decreased consulting hours for the Feasibility Study.

Three months ended September 30, 2023, compared to three months ended September 30, 2022:

The Company's expenses of $843,227 (2022 - $942,233) decreased by $99,006 as compared to the same period in the previous year, mainly driven by the decrease in shared-based compensation, a non-cash item, of $147,588. Income in the current period is derived from interest income of $204,435 and a foreign exchange gain of $211,539, driven by the strengthening of the US Dollar compared to the Canadian Dollar.

- Consulting fees decreased by $74,255 due to the Company disengaging from certain financial services firms contracted during the three-months ended September 30, 2022.
- Share-based compensation expense decreased from $337,410 in 2022 to $189,822 in 2023. This is a non-cash item directly attributable to the number of stock options that vested during the period.
- Shareholder communication increased from $158,112 to $224,180 reflecting the Company's increased focus on corporate communication and investor relations following the appointment of its Vice President Investor Relations. The Company has reduced these expenditures moving forward in Q4 2023, and fiscal year 2024.

The Company incurred exploration and development expenditures of $2,172,900 (three months ended September 30, 2022 - $3,455,701) on its Nevada, USA claims. The decrease from the prior year's spending is largely attributed to decreased consulting hours for the Feasibility Study.

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

Summary of Quarterly Results

The following tables set forth selected quarterly financial data for each of the last eight quarters.

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Total assets	$ 56,054,101	$ 56,104,707	$ 57,356,338	$ 58,319,120
Working capital (current assets less current liabilities)	$ 16,536,448	$ 19,479,127	$ 23,541,885	$ 26,947,806
Revenue	$ -	$ -	$ -	$ -
Loss (gain) for the period	$ 439,253	$ 1,409,177	$ 762,276	$ 2,020,264
Net loss per share: Basic and fully diluted	$ 0.00	$ 0.01	$ 0.01	$ 0.01

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Total assets	$ 59,136,485	$ 59,333,213	$ 54,069,322	$ 37,724,018
Working capital	$ 31,372,555	$ 33,785,975	$ 38,545,166	$ 22,953,963
Revenue	$ -	$ -	$ -	$ -
Loss for the period	$ 236,642	$ 1,369,598	$ 1,337,942	$ 1,600,390
Net loss per share: Basic and fully diluted	$ 0.00	$ 0.00	$ 0.01	$ 0.01

Working capital was $16,536,448 at quarter-end September 30, 2023, compared to $19,479,127 at quarter-end June 30, 2023. The decrease of $2,942,679 is attributable to the Q3 2023 spend on exploration and evaluation of $2,172,900 and General and Administrative Expenses, which was offset by interest earned on the Company's cash deposits of $204,435.

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.

As at September 30, 2023, the Company had cash and cash equivalents of $16,767,320 (2022 - $26,550,120). The Company invests many of its financial resources in interest bearing securities with varying maturity dates. The Company utilizes Short-term investments, mainly guaranteed investment certificates ("GICs") issued by Canadian chartered banks. Further, the Company currently has no debt on its balance sheet aside from short-term accounts payable and lease liabilities.

During the quarter, the Company continued its preparatory work to further progress the Project towards the feasibility stage. The main activities focused on continued operation of the Pilot Plant and progressing its Feasibility Study.

The Company has no revenue generating operations from which it can internally generate funds. To date the Company's activities have been financed through 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 $16,536,448 at September 30, 2023, consisting of cash and cash equivalents of $16,767,320 and receivables, prepaids and marketable securities of $401,975 less accounts payable and accrued liabilities of $365,182 and the $267,665 current portion of the lease liability, as compared to working capital of $26,947,805 at December 31, 2022.

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 for the nine months ended September 30, 2023, and September 30, 2022.

	September 30, 2023	September 30, 2022
Charged to profit and loss:		
Bryan Disher – Director	$ 43,358	$ 43,497
Abraham Jonker – CFO	196,000	145,867
Cassandra Joseph – Former Director, Former Chair	32,469	48,717
Don Myers – Director	36,000	36,000
Ken Owen – Director	39,750	36,000
Jim Pettit – Director	36,000	36,000
Corby Anderson – Director	10,000	-
Sentinel Market Services Ltd. - a company owned by Jim Pettit	270,268	279,878
Sub-total	663,845	625,959
Capitalized to exploration and evaluation assets		
William Willoughby, President, CEO and a Director of the Company	366,770	-
Willoughby & Associates, PLLC - a company owned by William Willoughby*	584,984	940,972
Sub-total	951,754	940,972
Share-based compensation	299,538	1,080,699
Total	$1,915,137	$ 2,647,630

*All payments made to Willoughby & Associates, PLLC are at cost. No profit is generated.

As at September 30, 2023, $Nil (December 31, 2022 - $54,693) 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 fixed price of $27,500 per month, reviewable quarterly. In March 2023, the Company terminated the contract, providing twelve-months working notice.

Balance Sheet Arrangements

At September 30, 2023, 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.

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 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 September 30, 2023, the Company had cash and cash equivalents of $16,767,320 (2022 - $26,550,120) to settle current liabilities of $632,847 (2022 - $773,542) and had working capital of $16,536,448 (2022 - $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 $3,067,319 in interest-bearing savings accounts with banks as at September 30, 2023 (December 31, 2022 - $15,479,595) and $13,700,000 (December 31, 2022 - $11,700,000) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of $79,823 (December 31, 2022 - $70,525). A 1% change in interest rates would have an effect of $160,673 (2022 - $267,724) 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. In addition to cash in US accounts of $2,060,164 (December 31, 2022 - $11,455,547) as of September 30, 2023, the Company has $262,517 (December 31, 2022 - $454,490) in liabilities to US payees. A 1% change in foreign exchange rates would result in a gain of $23,227 (2022 - $110,011) on foreign currency gain/loss.

(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.

Subsequent Events

Stock Option Amendment

On November 14, 2023, the TSX Venture Exchange accepted an amendment, which had been approved by the Company's shareholders at the Annual General Meeting in October 2023, to the expiry date of the CFO's incentive stock option agreement dated May 3, 2021. 750,000 stock options, which were set to expire on May 3, 2024, have been extended and are now exercisable up to May 3, 2026, at a price of $1.25 per share. All other terms of the options remain unchanged.

Additional Information

Additional information with respect to the Company is also available on the Company's website at www.centurylithium.com and also on SEDAR Plus at www.sedarplus.ca

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 November 17, 2023, the following were outstanding:

Share capital - issued and outstanding	147,739,548
Options	8,243 ,000
Warrants	21,134,679
Shares held in escrow	Nil