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Cypress Development Corp
Dean Lithium Project NI 43-101 Technical Report
February 2018
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GLOSSARY

UNITS OF MEASURE

Centimetre ................................................................. cm
cubic centimetre ................................................................. cm³
Degrees Fahrenheit ................................................................. °F
Gram ................................................................. g
Part per million (1 ppm = 1 gram) ................................................................. ppm
Acre (1 acre = 43,560 square feet) .................................................................
Kilometre ................................................................. km
Mile ........................................................................ mi
Metre ................................................................. m
Millimetre ................................................................. mm
Percent ........................................................................ %

ACRONYMS AND ABBREVIATIONS

Nevada Mining Claim Number ............................................................... NMC#
Bureau of Land Management ........................................................................ BLM
North ........................................................................ N
East ........................................................................ E
South ........................................................................ S
West ........................................................................ W
North Northeast ........................................................................ NNE
North Northwest ........................................................................ NNW
Lithium ........................................................................ Li
Potassium ........................................................................ K
Zinc ........................................................................ Zn
Silver ........................................................................ Ag
Magnesium ........................................................................ Mg
Sodium ........................................................................ Na
Strontium ........................................................................ As
Calcium ........................................................................ Ca
best foot forward ........................................................................ BFW
United States Geological Survey .................................................................... USGS
National Instrument ........................................................................ NI
Nevada Bureau of Mines and Geology ........................................................ NBM
1.0 SUMMARY

Cypress Development Corp. has prepared this technical report detailing surface and diamond core drill data from the initial exploration of its 100% owned Dean Lithium Property located in the Clayton Valley of Esmeralda County, Nevada. Cypress owns the mineral rights to 35 federal placer claims and 79 lode claims covering approximately 2700 acres. The property location is shown on figure 1-1 below. The map also shows the position of the immediately adjacent lithium brine production center owned by lithium production giant, Albemarle Corp.

Albemarle’s Clayton Valley lithium production complex consists of a brine production well field and associated concentration and refining infrastructure. This “Silverpeak Lithium Mine” has been in continuous production since 1966 and is the largest lithium producer in North America currently accounting for roughly 3% of worldwide lithium carbonate and lithium hydroxide production.

The Dean Lithium project lies along the eastern margin of the Clayton Valley. The valley contains a thick section of lake sedimentary origin rock units that were deposited within an arid, closed basin of late Miocene to recent age. Active faulting continues to down drop the basin against the surrounding mountain ranges.

The lithium mineralization at Dean is contained within interbedded lacustrine (lake basin) stratigraphy. These lake bed, volcanic ash rich mudstones have been uplifted to their present outcropping position by movement along the Angel Island fault, a typical Walker Lane style shear zone with both lateral and vertical movement.

The basin was also topographically isolated from massive fresh water run-off and resulting fresh water lake development as recent age, great ice sheets melted. This isolation has allowed the basin to remain very saline and has no doubt contributed the preservation of the huge endowment of lithium present in the basin.

The stratigraphically high position of the mineralized mudstones above the thick overall sandstone and siltstone dominated deeper portions of basin fill suggests the mudstones formed in the terminal evaporative history that ended the existence of the lithium rich paleo brine lake. Such a setting would be ideal for concentration of lithium from ash and groundwater inputs over a long period of basin evolution and lithium concentration in the brine lake.

These mineralized rocks near the top of the basin stratigraphic column are the result of millions of years of lithium input and concentration within the basin. The final massive precipitation of lithium into the mudstones represents a fossil brine lithium occurrence of large size and consistent grade.

Lithium is viewed to have precipitated out of the same muddy, ashy brine that formed the mudstone host rocks. The mudstones are dominantly composed of volcanic ash with finer grained clay, carbonate and salt minerals occurring interstitially between the rock matrix ash materials. As such, the large area of strong lithium infused mudstones
might be considered a fossil lithium brine deposit, now perched above the east edge of the current salt playa.

The ultimate source of the lithium in the Clayton Valley remains very much under investigation by the USGS and other organizations. Of more importance to Cypress Development is the possibility that wide spread and vertically continuous lithium mineralization recently discovered on the Dean property could represent the majority of future of lithium production in the Clayton Valley.
The history of lithium exploration and production in the Clayton Valley from 1965 to 2016 has been all about groundwater lithium brines. This has now changed due to surface sampling and core drilling of uplifted lake bed sediments by Cypress Development Corp. Two years of work on the property has resulted in the discovery of a potentially significant, tabular zone of mineralization over a strike length of approximately 4000 metres and with an approximate width of 1500 metres. These dimensions imply a plan view area of >5 square kilometers and are based on the assay results of wide spaced drilling in 2017 by Cypress. The mineralization remains open in all directions.

The average grade of lithium brines being pumped in the Clayton valley has dropped from >500 ppm Li in 1966 to approximately 100 ppm Li today. Fifty years of lithium production from brine has materially depleted the resource. Even so, the current lithium production from the Clayton brine field accounts for 3% of worldwide production, a testament to the robust mineral endowment of the basin.

While hard numbers on current reserves within the Silverpeak brine field are not available, Cypress believes that the majority, if not the vast majority of lithium remaining in the Clayton Valley is contained within the pervasively mineralized mudstone section discovered on the Dean property and in the surrounding area.

In addition to the Dean property, Cypress also holds the adjacent Glory Lithium Project, which covers 1520 acres on the south side of the Dean property (Figure 1-1). Together, the two properties present a huge strike length of known surface lithium mineralization.

No mineral resource calculations have been done on the Dean Lithium property to date. This Report will lay the basis of the geologic model of the mineralization and will be used in planned, initial lithium resource calculations.

Assays of drill core from the fourteen completed holes on the Dean property in 2017 have previously been announced and show remarkable continuity of lithium content, both vertically and in plan view. The upper 100 metres of sedimentary rocks, starting from surface, are continuously mineralized with an average lithium content of 1050 ppm Li. The thickness of continuous mineralization in the central and eastern portion of the property is >100 metres at an average grade >1100 ppm Li. The completed holes are wide spaced averaging 650 to 700 meters apart due to the very large area being explored.

While the genesis of the massive, tabular body of lithium mineralization remains under study, core logging data from the fourteen completed holes strongly suggests the lithium was trapped within a volcanic ash rich, lacustrine section at the time of formation of the host mudstone stratigraphy. The mineralized sediments formed in a basin that had a lithium rich brine lake and underlying brine saturated mudstones, ash units and sandstones.

The lithium host mudstones are mapped by the USGS and others as being part of the regionally extensive Esmeralda Formation. The Esmeralda Formation has been shown to be of late Miocene to Pliocene age, in the range of 1 million to 6 million years before present.
Esmeralda rocks have been mapped in the north half of Esmeralda County and in adjacent portions of Mineral and Nye counties. This formation exhibits a very wide range of rock types, from dominant, tuffaceous sandstones, siltstones along with minor mudstones and very coarse grained conglomerates. Interbedded rhyolitic ash fall tuffs and basalt flow units are common within the formation within the region.

The pervasively lithium mineralized mudstones exposed on the Cypress Dean project and in immediately adjacent areas, appear unique within the Esmeralda Formation overall and in fact are likely unique even within the Clayton Valley itself.

The Dean mudstones appear to have formed within shallow water shelf with a highly saline water environment that was bounded on the west by an uplift of Cambrian age metasediments and early Miocene age volcanic rocks. It is likely that a fault bounded uplift of Cambrian age basement, known as Angel Island, is old enough to have acted to create a partially closed sub-basin environment at Dean at the time of mudstone formation, approximately 500,000 to 1 million years ago.

Mudstones formed from precipitation of everything in the muddy water, the volcanic ash and the other components. The lower energy, protected Paleo environment at Dean is due to protection from wind and waves provided by the ancestral Angel Island uplift. Air fall tuffs within early Miocene age volcanic rocks exposed on Angel Island speak to a relatively long history as high ground.

Regardless of the exact conditions the mudstones formed under, they do show very strong, hole to hole, lithology continuity over vertical intervals of >50 metres. Within the mineralized section drilled at Dean and within drilling of mineralization by Noram Ventures Inc. (Noram 43-101, 2017), hard sandstone layers are millimeter to centimeter scale and constitute no more than 1% to 2% of the mineralized known zones.

It is only within a portion of the east edge of the Clayton Valley that these mineralized, olive green mudstones exist in outcrop, nowhere else in the Clayton and nowhere else in the region. Other olive colored outcrops exist, along the north flank of the Clayton Valley, within the west margin of the adjacent Smoky Valley and within the southern margin of the Rhodes salt marsh to the north. Examination of all these outcrops shows they are siltstones or tuffaceous sandstones, not mudstones and that they have lithium values of <100 ppm.

Whether the thick intervals of strongly mineralized mudstones exist in the subsurface elsewhere in the Clayton is unknown due to limited drilling, but their existence away from the eastern Clayton Valley, has never been shown in in any data set. The regional and local geology of the Esmeralda Formation results in the local presence of highly favorable, mineralized mudstones surrounded by far less favorable sandstone or volcanic stratigraphy.

Past exploration within the Clayton, and of several surrounding basins, both by the USGS and more recently by junior lithium exploration companies, has failed to find any evidence of the grade and or the continuous nature of the lithium mineralization discovered by Cypress to date on the Dean project. USGS lithium intercepts from fifteen drill holes completed within basin fill rocks at Clayton immediately adjacent to
the brine production field contain zones of highly anomalous lithium values but the very best assay interval from the eight holes is 100 metres of <400 ppm Li

When a subsurface look was taken at other basins surrounding the Clayton Valley (USGS, 7 holes, 1982, Open File Report 82-415), drill cutting assays average less than 100 ppm. Within the best mineralized zones intersected at Dean to date, continuous intervals of >30 metres with lithium assays averaging >1400 ppm lithium have been found. At present, there is no known analog in the region for what is currently being intersected in wide spaced drilling at Dean.

Geologic logging of the completed core holes has allowed Cypress to identify a favorable section of ash mudstones that both overlies and underlies a strong, apparently planar, oxidation/reduction front. The color change in freshly drilled core is dramatic with olive green mudstones changing to blue and black mudstones. The change is sharp but frequently olive and blue mudstones are interbedded over several meters before continuous blue to blue black mudstones are intersected.

Recommendations for the continuation of exploration at Dean, and on the adjacent Cypress Glory property are straightforward and include extension drilling followed by infill drilling to further increase confidence of geologic and lithium grade continuity within the huge tabular body of mineralized mudstone found to date.

The position of the project is ideal as it sits adjacent to electrical power lines and well maintained access roads.

Due to excellent access and nearby drill water supplies, drilling at Dean to date has been relatively inexpensive with the all-in cost of 100 metre core holes averaging approximately $18,000 USD each. To produce an approximate 500 metre drill spacing across the known mineralization at Dean, as well as currently targeted extensions onto the adjacent Glory property, a total of 20 to 25 additional holes would be required. The cost to complete this recommended drilling is approximately $400,000 USD.

Considering what is being discovered, the cost to complete extension drilling and add a reasonable amount of infill drill holes is very modest and in our view holds the opportunity to add significant value to the project quickly and at low cost.

The demand for lithium to support the technological revolution occurring in the worldwide transportation of people, goods and materials without the use of internal combustion engines, is strong and growing. Cypress sees the opportunity to quickly complete delineation of a large, new lithium resource in North America.

Being Nevada based is ideal as it is a mining friendly jurisdiction. Being within the Clayton Valley lithium production complex, with all the existing infrastructure should further enhance the value of the project. While much work remains to be done and the challenges of finding and advancing a brand new resource to the point of production are always daunting, the location, the geologic simplicity and the robust and continuous lithium mineralization found at the Dean project in 2017 point to a potentially very attractive advance stage project going forward in 2018.
Cypress will be back drilling on the Dean property in early 2018 and it is anticipated that completion of all the recommended extension and infill drilling will be late first half or early second half of 2018.
1.0 Introduction and Terms of Reference

1.1 Introduction

Cypress Development Corp. ("Cypress") hereby presents a National Instrument 43-101 compliant Technical Report summarizing exploration drilling results and other relevant data for their Dean Lithium Project property located within the Clayton Valley, Esmeralda County, Nevada. The report has been prepared in compliance with the Canadian Securities Administrators' NI 43-101 Standards of Disclosure for Mineral Projects.

1.2 Terms of Reference

Cypress has completed fourteen (14) NQ core holes totaling 3657 feet on the Dean Lithium Project property. All drilling was done in 2017. Limited surface sampling of exposed, mineralized mudstones was done prior to starting the drill exploration.

This NI 43-101 Technical Report is intended to provide a detailed accounting of Cypress's exploration of the Dean Lithium Project property to date and to provide interpretations of the compiled data for the purposes of proposing additional exploration for mudstone hosted lithium mineralization on the property. The project has advanced very rapidly from the grassroots discovery of outcropping lithium mineralization in early 2016 to the present point where a huge volume of lithium mineralization has been outlined during very wide spaced drilling of the property.

The Dean Lithium Project property is located within the Clayton Valley, an isolated playa basin that contains the biggest lithium production complex in North America, the Silverpeak lithium mine owned by lithium major, Albemarle.

Robert D. Marvin, P.Geo., CPG, was authorized to complete this NI 43-101 Technical Report by Mr. Don Huston, President, Cypress Development Corp.

1.3 Sources of Information

To prepare this Report, Cypress has relied dominantly on its own data from completed exploration on the property and also on USGS and NBM reports in addition to information publically available on websites of mining companies working in the area.

1.4 Project Management and Site Presence

Mr. Robert Marvin, P.Geo.(Ontario), has been present and directed all drilling and other surveys completed on property since initial staking of the claims in January, 2016.
1.5 **Units & Currency**

Throughout this Report, measurements are in imperial units (feet and miles) for all down hole drill data including assays. Drill hole collar locations are in UTM NAD 83 meters. The use of both imperial and metric units for the program is necessary due to 10 foot drill rods being used. UTM meters is used for drill hole locations due to the convenience and more reliable interaction with other map data in GIS data compilation work.

Lithium (Li) assay values are presented as parts per million (ppm), no other metals within the mineralized mudstones are currently viewed as pertinent.

Currency amounts for estimated costs of recommended additional exploration drilling are quoted in US dollars unless otherwise noted.
2.0 RELIANCE ON OTHER EXPERTS

Cypress prepared this study using a compiled company database and the resource materials, reports and documents as noted in the text and "References" at the end of this Report.

Mineral rights ownership through placer and lode claims data in this Report was summarized directly from Bureau of Land Management (BLM) records and is backed up by examination of Cypress’s internal records of transactions regarding acquisition of mineral rights for the property. All mineral rights owned by Cypress are the result of the Mining Law of 1872 and are on public lands administered by the BLM out of the Tonopah Field Office.

A significant amount of lithium exploration work has been carried out by the USGS in the Clayton Valley and in surrounding basins. These investigations are well documented and have been used for regional and basin scale perspective in the writing of this Report.
3.0 PROPERTY DESCRIPTION AND LOCATION

3.1 LOCATION

The Dean Lithium Project property is centred near 452700 East, 4179000 North, UTM NAD 83, Zone 11 North datum, in central Esmeralda County, Nevada. The location is 180 miles northwest of Las Vegas, Nevada (figure 4-1). The regional gold mining town of Tonopah is about 35 miles northeast of the project. The small community of Silverpeak lies 5 miles west of the project. The Property lies entirely within Township, 2S, R40E, Mt Diablo Meridian. The Property is accessed off of paved state highway 265 to Silverpeak and from by a well maintained service road that passes along a public easement through the lithium mine area.
3.2 Mineral Rights Disposition

The Dean Lithium Project property consists of 35 placer mining claims and 79 overlapping lode mining claims, all 100% owned by Cypress. The claims lie in surveyed territory within portions of sections, 14, 15, 16, 17, 20, 21, 22 and 23, T2S, R40E in the central and eastern portions of the Clayton Valley, Nevada (figures 4-2 and 4-3 below).

Cypress has made the decision to stake both placer and lode claims over the majority of the project. The placer claims were staked first and cover the entire property. Due to uncertainty in current interpretations of federal mining laws on mudstone hosted lithium and other soft rock hosted mineral resources, Cypress has taken the extra protective measure of staking lodes over the placer claims in the central and eastern portions of the property.

The placer claims vary in size from 40 to 80 acres and have been staked as even divisions of a legal section, as required under placer mine claim regulations. The claims cover approximately 2700 acres and provide Cypress with the rights to lithium brines that may exist on the property as well as being acknowledged as covering the mineral rights to the mudstone hosted lithium discovered to date. The claims are subject to a 4% Net Smelter Royalty (NSR) in favor the original property vendor. The claims require annual filing of Intent to Hold and cash payments to the BLM and Esmeralda County totaling $154.50 per 20 acres. Table 1 below lists the Cypress federal placer claims at the Dean Lithium Project.

The lode claims are each 600 x 1500 feet in size or about 20.5 acres each and together cover an area of about 1620 acres. The claims require annual filing of Intent to Hold and cash payments to the BLM and Esmeralda County totaling $154.50 per claim. The claims are subject to a 4% NSR in favor the original property vendor. Table 2 below lists the Cypress federal lode claims at the Dean Lithium Project.

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Figure 4-2 Dean Placer Claims Location Map
3.3 Tenure Rights

Cypress owns 35 placer claims and 79 lode mining claims as shown figures 4-2 and 4-3 above. The claims are all in good standing with the BLM and Esmeralda County.

3.4 Resources, Reserves, Development and Infrastructure

The property is located in a region of active mining of lithium brines and open pit mining of gold deposits. The immediately adjacent Silverpeak Lithium Production Complex is owned by Albemarle. This lithium brine mine has been in production continuously since the 1960's.

There are no resources defined on the Dean Lithium Project property at present. Recommendations for additional drilling made in this Report are in part designed to provide additional geologic and assay data needed for resource estimation in the near future.

The property lies in close proximity to paved roads, power lines and regional towns and cities that service the mining industry.

3.5 Legal Survey

The 35 placer claims and 79 lode mining claims are survey tied to brass caps of the existing federal land survey in the area. Numerous section corners and quarter corners are present in the field as brass caps.
3.6 Environmental Liabilities

The Dean Lithium Project lies in a "green fields" exploration area. There are rare small scale pits and trenches from historic exploration efforts for salt or other metals on the property. None of these very small disturbances appear to have any environmental liability. No buildings, mills, leach pads or other infrastructure has ever existed on the property.

A material borrow pit located on portions of Dean placer claims 25 and 55, in the southwest portion of the property might represent a finite liability if it had to be back filled. The bench-like pit or cut was done by Rockwood Lithium in the recent past. It is interesting that this excavation was done on lands not covered by any claims at the time it was done, nor is there any evidence that federal materials site was ever obtained. Any liabilities related to this excavation would rest squarely with Rockwood Lithium or the current operator, Albemarle.

Cypress has been conducting its drill exploration of the property using a small core rig and with due care for minimizing environmental impacts during exploration. At present there are five small scale drill sites and associated access routes that will be reclaimed as soon as additional drilling is completed. These drills sites and travel routes are bonded with BLM.

3.7 Permits

A notice level permit for the disturbance needed to conduct the completion of Phase 2 exploration is in place. Modifications to this permit have been done as exploration has progressed. Cypress has a good working relationship with the Tonopah BLM office and Cypress works at maintaining that relationship at all times. Cypress is committed to a best-practices approach to limit the environmental impact of our field activities. This approach has several important benefits including reduced reclamation costs.

Further drill exploration, as recommended in this Report, will require additional permits. It is anticipated that continued close working relationship between Cypress and the BLM will continue and that further permits will be routinely received within 30 days of application as has been the case.

As the project progresses it will become advantageous to go through the process of obtaining a Plan of Operations (POO) from the BLM. A POO would enable larger-scale field operations to take place and is the path taken by all advanced stage projects on public lands.
4.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

4.1 ACCESS

The property can be accessed by paved roads from Tonopah and Goldfield as well by the paved state route 265 through Silverpeak. From any of these paved approach routes, 4 to 5 miles of very well maintained all weather dirt roads lead to property.

4.2 LOCAL RESOURCES

The regional mining center city of Tonopah is within a 30 minute drive of the property. Tonopah has population of 10,500 (2012 census).

High voltage, industrial grade power lines serve the active Silverpeak and Mineral Ridge mines. This line was recently ungraded by Sierra Pacific Power and passes within 200 meters of the property.
4.3 **Climate**

The climate of the Clayton Valley is hot in summer, with average high temperatures around 100 °F and cool in the winter with average daily lows of 15 to 30 °F. Precipitation is dominantly in the form of thunderstorms in late summer. Snow cover in winter is rare.

Year round low humidity aids in evaporation. Wind storms occur in the fall, winter and spring.

4.4 **Physiography**

The Dean Lithium Project is located in the Great Basin physiographic region and more precisely within the Walker Lane province of the western Great Basin. The Clayton Valley is a flat bottomed salt basin that is surrounded by a complete pattern of mountain ranges. Broad, low passes lead into the basin from the north and east (paved access).

On the project itself the terrain is dominated by mound-like outcrops of mineralized mudstones which are cut by dry, gravel wash bottoms. Access on the property is excellent due to the overall low relief of the terrain.

![Figure 5-2a. Central Dean Property Looking East. Clayton Ridge is 2 miles in background, where basement rocks are exposed to the east of a major normal fault.](image-url)
Figure 5-2b  Dean Property, Dry Wash Channels and Mounds of Mineralized Mudstone.

Figure 5-2c  Typical outcrop at Dean. Note tuffaceous unit overlying olive green mudstone. This interbedding is typical of the Upper Tuffaceous Mudstone unit.
5.0 History

The Dean Project area shows signs of limited past “exploration” in the form of old and weathered pits and trenches as well as rare old piled stone rock mound claim corners. The area has been roughly mapped and is shown as Esmeralda age sedimentary rocks and volcanic rocks on 1960’s era geologic maps. The mapping mentioned here is the only known written evidence of geologic work in the property area. If old reports by Rodinia Minerals Inc. could be obtained, additional historic data, circa 2006, could be incorporated here. The DB placer claims were staked as part of the Rodina effort; these claims covered the entire Dean property but have lapsed.

The USGS has reportedly worked in the mudstones on several occasions. Limited sampling was completed as part of the USGS traverses. An assay of >2000 ppm Li was noted on the west wide of Angel Island from work done in the 1970’s. The majority of USGS work in the basin was focused on lithium brine investigations.

The Nevada Bureau of Mines and Geology has done work in mineralized mudstones on the Glory Lithium Project, southwest of the Dean. The ongoing work involves XRD work on thin pumice layers within the exposed mudstone package.

No evidence has been found to indicate any drilling, prior to Cypress Development efforts in 2017, has occurred on the Dean property. Drilling by Noram Ventures in an area near the NE corner of the property was done winter 2016-2017 when a large number of shallow core holes (average depth 42 feet) were drilled, logged, split and sampled. A 43-101 report on the results of this drilling available on SEDAR (System for Electronic Document Analysis and Retrieval), as is an earlier report summarizing surface mapping and sampling completed by Noram Ventures in 2016.

A series of bench like open cuts into mudstone units has occurred along the west flank of Angel Island. The cuts and quarries are of recent age and may still be used. The cuts may have removed as much as 5 tonnes of material individually and 10 to 15 million tonnes in aggregate.

These operations have occurred in the recent past on Cypress placer claims in the southwest portion of the property, but are largely located on private lands owned by Albemarle Corp.

The summary of past exploration indicates very limited past surface exploration work. A small number of surface samples of mineralized mudstone were collected and a significant lithium anomaly was noted by the USGS.
5.1 Compilation of Reports on Exploration Programs

This Report is the first to be produced on detailed exploration programs results for the Dean Lithium Property. Other descriptions of the mineralized mudstones at Dean are contained within Cypress news releases of 2016 and 2017 as well as within well-organized maps and other documents which are available on the Cypress website.

Numerous USGS reports are available which detail studies, including drill results, in the adjacent salt playa.

Additionally, both Pure Energy Resources and Noram Ventures have produced a series of 43-101 compliant reports which are available on SEDAR. The Pure Energy reports detail investigation of commercial grade brine resources immediately west of the property while the Noram reports outline significant lithium exploration results to east of the Dean property.

All of these reports, both those from the private sector as well the public sector have been read by the author.
6.0 GEOLOGICAL SETTING & MINERALIZATION

6.1 DISTRICT GEOLOGY

The Clayton Valley is a lithium brine district and the geology of the brines is that of the Esmeralda formation basin fill rocks. Regionally, these Esmeralda rocks have been shown to be of late Miocene to Pliocene age, in the range of 1 million to 5 million years before present. In particular, the brine production field at Clayton is focused on weakly to non-lithified volcanic ash horizons which have high porosity. The brines are pumped from these porous units that make up only a small percentage of the basin fill.

Deep drilling by Pure Energy Minerals has shown that fine grained sandstones and siltstones extend down for at least 1000 meters below the playa surface. Combined with shallow drilling by the USGS, a rough stratigraphic succession is evident which has ash rich mudstone units near the surface and increasingly sandy units at deeper levels within the basin fill lacustrine stratigraphy. This fining upward sequence is important as it is within the upper, or youngest portion of the basin fill that the lithium mineralized mudstones become dominant.

Cambrian age basement rocks do outcrop within the bottom of the basin. These dramatic exposures are colloquially called islands in the Clayton Valley and they include Angel Island, Goat Island and Alcatraz Island. These exposures stand starkly above the flat salt pan of the basin. The geology of these exposures is surprisingly variable from island to island. Goat Island is composed of metavolcanic rocks that have well developed metamorphic foliation. Fossil evidence from the rocks of Alcatraz Island indicate a deep water marine origin. Angel Island is largest and the most complex, being composed of wildly deformed layered rocks, interbedded and brecciated limestone and quartzite as well as green, chlorite altered volcanic rocks. The volcanic rocks of Angel Island are themselves complex with both Cambrian age massive andesites and Miocene age rhyolite crystal tuffs being present.

These basement rocks themselves are not considered to be a lithium source and are of little interest for the ongoing lithium brine production and the current, intensive evaluation of mineralized mudstone units within the basin. The position of basement rock exposures within the basin corresponds with a district-scale basement arch. Gravity data shows that a pronounced, elongate gravity high links the bedrock exposures and the islands together along a 5 kilometer wide, 15 kilometer long WNW trend. This structural uplift lines up well with a large exposure of even older basement rocks known as Mineral Ridge located on the steep, NW margin of the basin. Precambrian age rocks exposed on Mineral Ridge are strongly metamorphosed and are the host rocks for a series of mesothermal style gold deposits. These deposits are still being mined and have produced well over 1 million ounces of gold.

This pronounced basin arch also acts to break the Clayton Valley into distinct north and south sub-basins. While production of commercial lithium brines has occurred in both the
north and south basins, it is important to point that the production is nearly exclusively concentrated along the flanks of the basement arch itself.

The fact that the basement exposures within the playa basin correspond to a gravity high is not a surprise, but the position of the WNW trend is apparently of enormous importance in the localization commercial lithium brines in the basin. The position of the current and historic brine well extraction field shows that the extraction wells are also lined up along the trace of the basement uplift on the salt playa between Goat and Angel Islands.

An explanation of this phenomenon is beyond the scope of this Report, especially given that Cypress is not focused on commercial lithium brine exploration at this time. It is worth noting, however, that the WNW basement uplift-lithium brine trend points directly at the exposed, mineralized mudstones of the Dean property. This WNW basement rock feature is a first order, district scale, structural feature in the basin in terms of acting to control the position of both brine and mudstone hosted lithium mineralization.

As has been previously stated, the mudstones being explored in the eastern Clayton Valley have very high volcanic ash content. The source of the ash is uncertain and likely complicated. Ash sources include a series of regional volcanic centers that have erupted immense volumes of rhyolitic ash throughout the Miocene and continuing into the Pliocene. USGS work has examined volcanic ash lithium brine aquifers and in some cases have been able to age date these units.

One ash source is located within the district: a rhyolitic caldera of late Miocene age located within the Silverpeak range on the west side of the basin. Massive to bedded lapilli tuff units of nearly 1000 feet in thickness are well exposed west-southwest of the town of Silver Peak. These rhyolite tuffs are considered likely lithium source rocks. These rocks are colored in yellow tones on the left portion of figure 7-1.

The lacustrine, lithium rich mudstones found in outcrop on the eastern margin of the basin appear to sit on an uplifted and eastward tilted basement slab. The slab has strongly faulted western and northwest margins where the basement rocks of Angel Island are faulted up against Esmeralda age, lithium bearing, mudstones. The mudstones are tilted steeply westward in an apparent case of very well-developed drag folding associated with the sharp uplift of Angel Island. These rocks are colored green in the area of the Dean project on figure 7-1 below.
These rocks are actually mapped as being Siebert Tuff on county-scale geologic mapping by the Nevada Bureau of Mines and Geology. The Siebert Tuff is a regionally extensive volcanic ash unit that erupted in the Miocene in the Tonopah volcanic center located 35 miles ENE of the project area. The mapping is out regional scale and while mapped as tuffs, these rocks in the Dean and surrounding areas is more precisely identified as very
ash rich lacustrine mudstones, as has been repeatedly stated in this Report. Further comments here are potentially important as the southern extension of the bright green colored ash rich unit crosses a sharp geologic contact approximately 2.5 miles south of the Dean property. South of the contact, the ash rich mudstones are cut out and a very hard, non-porous and non-lithium bearing sandstone unit takes the position of the mudstones. See notes on figure 7-1.

While the nature of the structural uplift of the lacustrine and flanking clastic rocks being explored by Cypress and others, is still not completely understood, it is clear that uplift has occurred relatively recently. The young age and deformation of the lacustrine rocks to the west of the Angel Island fault potentially indicates the uplift also happened rapidly.

An argument for an older, more stable history of these eastern Clayton basin badlands could also be made. The area could have been a higher shelf like block within the Clayton lake bed. If water levels and such a shelf remained stable, a relatively long lived, volcanic ash rich, mud flat could have developed, one that was surrounded on three sides by deeper water and backed against the eastern basin faults of Clayton Ridge.

Such a genesis for these ash rich mudstones of the project area might also help explain why these rocks are so strongly and consistently mineralized with lithium. Warm, muddy, shallow water would promote the formation of allogenic clay minerals from the combined actions of water, wind and weathering of volcanic ash. Lithium ions in such a salty, muddy shallow water environment would be electrically attracted to such clays. Precipitation of the ash rich mudstone with lithium rich, interstitial clays is a proposed process that is well supported by compiled Cypress geological and assay data. These thoughts have also been expressed in several places within USGS documentation and interpretation of Clayton Valley geology and lithium content.

USGS drilling within the Clayton Valley salt playa occurred in 1982 (Open File Report 82-415). The goal of the mud rotary drill program was to investigate the vertical distribution of lithium in both brines and within lacustrine sedimentary rocks beneath the playa surface. Seven holes were drilled to maximum depth of 615 feet. Average hole depth was approximately 370 feet. Assay summary results of assays from intersected basin sediments from this work are presented in figure 7-2 below. The figure also included the assay summaries from two of fourteen holes completed on the Dean property for comparison of mudstone mineralization. The Albemarle brine production field and the position of the Pure Energy North Resources Area are also shown for perspective.
The plan map of figure 7-3 presents a series important points and questions:
1. The average lithium grade of basin sedimentary rocks intersected in the USGS drill program is orders of magnitude lower than average lithium values found within the uplifted lake sediments in exploration drilling to date. This fact must be viewed with some suspicion as the mud rotary techniques used by the USGS could have created conditions where significant leaching of lithium into drill fluids could have occurred.

2. USGS hole CV-4 intersected a long down section of lithium mineralization (page 8 USGS Open File Report 82-415). This mineralization occurs in two intervals, an upper claystone hosted section where 355 feet of approximately 450 ppm Li is underlain by a second zone of 50 feet of approximately 800 ppm Li with a drill program high assay of 2100 ppm Li (a single 5 foot interval at 460 to 465 feet down hole).

3. The lower and highest grade interval of CV-4 (and of the entire drill program) is hosted in a sandstone unit that underlies the wider zone of mineralization within claystones (mudstone) higher in the hole.

4. Cypress drill results show a similar pattern of a thick upper zone, though the Dean results are much more consistently and strongly mineralized than those of CV-4, note the high and average assay data for two selected Cypress holes on Figure 7-2.

5. Cypress has never explored below the so called “Hard Bottom” sand unit intersected at the bottom of most of the Dean core holes. The sand is hard and much slower to drill, and has shown consistently lower lithium assays than in the main mineralized zone above. This being said, lithium assays of 500 ppm have been found in the Hard Bottom unit.

6. USGS hole CV-4 is the closest to Dean of the 1982 program, located 3 miles NE of the NE corner of the Dean property. The lower sandstone intersection reported in CV-4 is a target that should be kept in mind for both the Dean and Glory lithium projects of Cypress.

In summary, there is evidence of local lithium mineralization within below the current salt playa surface in the Clayton north sub basin in close proximity to the Dean property. This mineralization is of significantly lower tenor and is far less continuous that the current results of Cypress exploration of the outcropping mudstones show.

Cypress has recorded geologic and geochemical data from core drilling on the Dean Property and now is in a position to begin to develop a lithologic section containing the lithium mineralization found on and around the Dean Property in the eastern highlands-badlands portion of the basin.

A series of east-west, geologic cross sections have been produced by Cypress for the Dean property. The stratigraphy of an east tilted ash rich mudstone over an area of 2 kilometres by 4 kilometers is presented in the next section. Surface mapping of the Dean Lithium Property by Cypress is presented in the section below.

### 6.2 Property Geology

The geology of the Dean property consists of a western portion dominated by uplifted basement rocks and an eastern portion containing a thick sequence of lithium mineralized mudstones with minor sandstone and lapilli tuff interbeds. An additional area of mineralized mudstones occurs in the southwest portion if the property, west of the Angel Island fault (Figure 7-2 below).
The lacustrine, lithium rich mudstones found in outcrop in the east half of the property dip at a low angle in a generally easterly direction. Flat lying and local westward dipping sections can be seen however an eastward tilt is dominant through the east half of the property. The mudstones appear to sit on an uplifted and eastward tilted basement slab. The slab has a strongly faulted western margin where the basement rocks of Angel Island are faulted up against Esmeralda age, lithium bearing, mudstones. These mudstones, located in the western portion of the property (Figure 7-2), are tilted steeply westward by well-developed drag folding along the trace of the Angel Island fault. The western mudstones are well mineralized and appear to correlate well with the middle mudstone package of the east half of the property.

The origin of the mudstones is very likely directly related to the paleo brine lake which has occupied the Clayton basin from time to time over the last 5 million+ years. It is proposed here that the name paleo Esmeralda Brine Lake be applied to this now evaporated, extremely lithium rich brine lake. The evidence of such a lake is preserved in the mineralized mudstones being explored by Cypress. These rocks are of lake bed, or lacustrine origin.

A small, surface brine lake grading approximately 1000 ppm lithium was present at surface in the lowest portion of the salt playa when Newmont showed up and started commercial production in the basin in the mid 1960’s. No suggestion is being made that the small, highly concentrated lake present at the start of production is the direct remnant of a larger, deeper paleo brine lake. The truth is likely much more complicated than that with episodic drying and flood inundation of the basin occurring with variable intensity and duration over a span of several million years.

The lithium host mudstones exposed in the Dean Property area are very much a part of the story of the lake that made them. It might or might not be a coincidence that the lithium content of the shallow, toxic lake found by Newmont Mining Corporation and the 1000+ ppm lithium average grade of the mudstone section discovered by Cypress are essentially the same.

Volcanic ash rich mudstones outcrop widely over the east half of the property. Surface mapping and core drilling by Cypress (figure 7-2) has shown that the mudstones comprise a laterally and vertically extensive tabular section of mudstone, oxidized, then reduced, then oxidized again at depth.

This “middle” portion of the tabular zone forms 80% to 90% of the total mineralized package. The middle portion has been subdivided into three main units, the upper olive mudstone, the blue middle mudstone and the lower olive mudstone. The upper and lower mudstone units are oxidized to olive green coloration while the middle mudstone is reduced and occurs in blue, black and grey colors in fresh drill core.

The three mudstone units are overlain by a tuffaceous mudstone unit and underlain by increasingly sandy mudstones. Pervasive lithium mineralization is seen in all five of these uplifted lacustrine units. This mineralization is both strongest and most persistent in the three units that make up the middle mudstone. Details presented later in this Report will show the blue mudstone unit contains the highest and most continuous lithium mineralization intersected on the property to date.
Figure 7-3  Geologic Plan Map
Dean Lithium Project

Salt Playa Lithium Brine Production Area
Wind Blown Sand
Upper Gravel Unit
Paleo Hot Spring Vents (Lithium Mineralized)
Upper Tuffaceous Siltstones (Lithium Mineralized)
Upper Mudstone Package (Lithium Mineralized)
Middle Mudstone Package (Lithium Mineralized)
Lower Mudstone Package (Lithium Mineralized)
Lower Sandstones (Lithium Mineralized)
Miocene Volcanic Rocks
Cambrian Age Basement Rocks

Angel Island Fault
Minor Normal Faults
Dean Lithium Property
Dean Lithium Property Core Hole Locations

1:24,000
A plan map of property rock units is shown on figure 7-2 above. Cypress work reported on here is concentrated within the thick mudstone package which outcrops widely in the eastern portion of the property and in surrounding areas of the eastern Clayton Valley.

Mapping details of these weathering mudstones at surface is difficult, especially within the very important middle mudstone section where massive character leaves little to see at surface. In drill core, however, much more detail can be seen. Even within overall massive sections, finely bedded sections are commonly seen in fresh core. Millimetre scale bedding is most common in narrow intervals that appear to be nearly 100% volcanic ash. Bold color changes across these delicate mm-scale beds are seen locally.

Between the large area of exposed mudstones in the central and eastern portion of the property and the mudstones outcropping to west of the Angel Island fault in the western portion of the property, approximately 65% to 70% of Dean property is underlain by the highly prospective rock sequence.

A series of cross sections have been prepared showing logged geology and lithium grade (ppm). These sections have been geologically interpreted hole to hole. The various databases used to create the hole traces form the basis of the geologic model of the discovered tabular mass of mineralization. Extension drilling is to start in Q1, 2018, which will explore the discovered, tabular body along strike and down dip.

Half scale copies of the three hand done sections are included as fold-out figures in this Report. A close-up of the south section at core hole DCH-5 is presented in Figure 7-4 below. The DCH-5 section of the compiled drill excel database is presented in table 7-1 below;

DCH-05 lies along the southern edge of the Dean property immediately adjacent to the Cypress Glory Lithium Property.

Note that the robust and continuous lithium mineralization is present in DCH-05, as in all other completed holes. The assay results are displayed down the right edge of the lithologic column figure 7-4 and in the center column of table 7-1.
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A laterally and vertically persistent stratigraphy at Dean is readily apparent in the compiled core hole data. From top to bottom this established stratigraphy is:

- **Recent Gravel**
- **Upper Tuffaceous Mudstone (Li Mineralization)**
- **Upper Olive Mudstone (Li Mineralization)**
- **Middle Reduced Mudstone (Li Mineralization)**
- **Lower Olive Mudstone (Li Mineralization)**
- **Lower Sandstone (Li Mineralization)**
- **Miocene Age Volcanic Rocks**
- **Cambrian Age Basement Rocks**

Figure 7-4 Dean Project Stratigraphy
1. **Recent Gravel Cover**, a thin veneer of polylithic cobble, boulder and sand cover exists over portions of the property. This cover unit varies from 0 feet to 10 feet in thickness. These rocks are being shed out of steep canyons cutting Clayton ridge to the east.

2. **Upper Tuffaceous Mudstone Cap Rock**, this is the highest unit in the mineralized sequence and consists of interbedded silty mudstones and hard tuffaceous beds several meters thick. The unit is approximately 70% mudstone and 30 hard tuff layers. Approximately 10 to 30 feet thick.

3. **The Upper Olive Mudstone Unit**, this unit starts the main ash rich mudstone sequence which contains the majority of the mineralization found to date. The unit is oxidized and contains locally abundant iron oxide staining and partial layer replacement. Below an interbedded top section, this unit becomes massive with uniform texture, color and grain size. Approximately 90 feet thick. Average grade is approximately 1100 ppm Li

4. **Main Blue Mudstone Unit** (aka the Black and Blue), this is continuation of the Upper Olive unit above but below an oxidation-reduction boundary. A sharp color change from robust olive to blue occurs at the redox, or several times as the redox is locally complex and interbedded. Approximately 130 feet thick. Average grade is approximately 1300 ppm Li

5. **Lower Olive Mudstone Unit**, this unit underlies a second, locally complex oxidation – reduction boundary where the blue and black unit above change gradationally back to olive colored mudstone. Fully olive colored mudstone sections occur within this unit that contain completely black, reduced mudstone interbeds (see figure 7-4 above) The uppermost 30 to 40 feet are well mineralized. After about 40 feet the unit starts to turn tan and to contain increasing percentages of hard, sandy or other silica layers. Pumice fragments are common in this unit. Approximately 60 feet thick. Average grade is approximately 900 ppm Li.

6. **The Lower Sandstone aka The Hard Bottom**, this unit has a gradational upper contact and represents a unit where the olive color is totally changed to tan and in which the percentage of sand is becoming 20% to 40%. Lithium values are lower than in the strongly mineralized zone above but still average around 400 ppm Li. Cypress has drilled through this unit and thickness and what underlies it remain unknown.

The units, described above, form a laterally and vertically continuous section of lacustrine rocks which underlies the eastern 60% of the property. These units appear to represent an upward fining sequence of sandstone, overlying massive mudstones and a cap rock of complexly interbedded mudstone and tuffaceous layers, all deposited within a brine lake environment. The tuffaceous cap rock unit indicates that water levels may have been dropping below this section of rocks as formation was ending. In any event, this important, lithium mineralized section appears to represent the upper portion of all known Clayton basin infill rocks.

Note that the vast majority of the lithium mineralization discovered at Dean to date has been found in units 3, 4 and 5 above. Unit 2 is also constantly mineralized at 30% lower levels than in the main underlying tabular zone of clean, consistent mudstone stratigraphy.
Note that a unit known as “Deep Black” is shown above and occurs within the Lower Olive member. The true geometry of oxidized versus reduced mudstones will not be known until more drilling is completed, but a strong trend of increasing black, reduced mudstone down dip to the east is evident on all three sections. This Deep Black unit is clear evidence of interbedding of oxidized and reduced mudstones. This olive and blue layering seen at the upper redox contact and, as stated above, below the main reduced portion of the mineralized zone.

The genesis of this complex interbedding is not known at present. Beyond that, even the mineralogy of the reduced portion is not understood. Even in the blackest zones, sulfur assays show only a small increase from olive colored mudstones, and the black color quickly changes to mottled light and dark green upon exposure to air. Absolutely no hydrocarbon smell is evident. One important question would be whether the reduced portion is more original and the oxidized portion more altered, or is it the other way around?

Algae fossil evidence has been documented by Noram geologists on their Zeus Lithium property, immediately east of the Dean project. While other fossil evidence is lacking in the mineralized mudstone section, the well preserved evidence of algal mats noted by Noram geologists may be an important key in understanding the source of the reduced nature of higher grade core portion of the targeted mudstones.

Having the reduced section be an original part of the lacustrine origin of the rocks, that is later partially and preferentially (along certain beds) oxidized, makes the most sense and such geology is well documented in other metallic deposit types hosted by porous sedimentary rocks.

Given the combination of USGS and Cypress drill assay data, it is apparent that the mudstone package, as currently exposed at surface, of the Clayton basin fill is a key section for lithium mineralization in comparison to deeper portions of the basin. Core from deep drill holes shows, tan-brown sandstones and siltstones that are far less mineralized. A possible exception is a 20 to 30 foot zone of strongly elevated lithium (averages 1200 ppm) in USGS hole CV-4 which occurs 20 feet below the overlying mudstones. This mineralized intercept likely occurs within a lithologic transition zone rather than in an identifiable sandstone host rock.

The question of distribution of this key upper portion of lake basin stratigraphy, and the ash rich mudstones facies of the lacustrine section in the basin has been discussed in other portions of this Report, but it is clear that the only place to find these rocks in outcrop is in the area of the Dean property. No other large footprint areas of consistent strong lithium mineralization are known in the basin. This statement includes consideration of both basin wide surface sampling and available results from subsurface drilling.

X-Ray refraction (XRD) studies done on well mineralized core from the Upper Olive and Main Blue rock sections, by SGS Canada for Cypress shows that silica, feldspar and mica form 70% to 80% of the rock. The remainder of the host rock is composed of several types of clay minerals, carbonate minerals and complex salt minerals.
A series of photos of the identified key rocks units as seen in drill core and outcrop on Dean Lithium Project are presented below. Note the quality of the drill core in the photos, 90% to near 100% recovery is normal through the main, mineralized mudstone units.

Redox in DCH-13, occurs at 98 foot block. The Upper Olive ends against the redox and the start of the Main Blue

Massive reduced mudstone, grey to black, DCH-11. Sample interval from 128 feet to 138 feet' returned 1517 ppm lithium.
Drill helper boxing NQ core at DCH-11 drill site. Note competency of an approximate 1 meter section being removed without breakage. The core is dumped from the core barrel into the steel v-trough for boxing. Interbedded oxide and reduced within the lower Olive Unit.

Interbedded green-grey and jet black core within 188 foot to 198 foot intervals of DCH-10. The 10 foot sample interval from 188 feet to 198 feet returned 1610 ppm Li.
Moderate development of bedding in reduced mudstones, DCH-13 235 feet.

Surface sampling in western Dean Property, note dipping ash layers exposed beneath weathered, salty crust. Early 2016 surface exploration of the property.
6.2.2 Property Structure

The structure of the Dean property is dominated by two main features and one more minor feature. The main features are:

1. **The Angel Island Fault** which can be seen in outcrop on the west side of Angel Island. This structure is high angle with an approximate 80 degree west dip. The hanging wall mudstones are dramatically drag folded within 100 to 150 metres of the structure, where west dips from 20 degrees to 60 degrees are seen. The Cambrian age rocks exposed in the footwall of the fault are intensely fractured for up to 25 meters into the footwall of the structure.

   This is a major fault and a complex one as well. Vertical movement is obvious given the juxtaposition of very young lacustrine rocks on the west side against early Paleozoic age units on the east. The shattering of the footwall strongly suggests strike slip movement as well. The overall look and apparent movement on the fault are similar to other major Walker lane structures. The northern margin of the White Mountains uplift to west of Clayton is suggested as an analog structural zone.

   Sharply curved strike slip faults within the Walker Lane region have been documented as contributing to the development of deep basins as rapid regional deformation occurs. The Angel Island fault is such a structure and very likely has played a significant role in the development of the thick, sandstone, siltstone and mudstone packages known in the subsurface of the basin.

2. **The eastward tilt of the main mudstone rock package** can be seen in outcrop across a wide zone in the eastern portion of the property. While the importance of this tilt is not yet understood, it is likely that groundwater flows down more permeable units in the mudstone have created the complex oxidation – reduction zone found in core drilling by Cypress.

   As has been said previously in this Report, the tilt may result from the mudstone section lying on an eastward dipping basement slab. As such, the Angel Island fault and the tilting of the mudstone section could be directly related and may have occurred together.

   A minor structural feature of the Dean property is an array of small-offset normal faults in the eastern portion of the property. Hydrothermal alteration in the form of opaline silicification and rare grey quartz veining occur very locally along these structures.

   These minor offset faults and fracture zones are likely related to local and regional scale extension of the region or to more complex jostling of the mudstones going on in reaction to movement of the important Angel Island fault.
6.2.3 Alteration and Veining of Rock Units

Alteration within the mudstone rock package at Dean is poorly understood but detailed logging of core and other observation indicate alteration is largely in the form of devitrification of glass shards within the volcanic ash component of the rocks. The mudstone units are indurated but soft enough that NQ drill core can be split with a pocket knife when it is cut shortly after being drilled. The rocks become tougher and quickly bleach to lighter colors as they dehydrate.

Well preserved millimetre-scale bedding within the indurated, soft mudstones also suggest lack of alteration.

Oxidation has penetrated the mudstone package in a fairly complex way as detailed above, and it appears that certain units allowed for faster penetration of oxidizing surface waters down the shallow east dip of the lacustrine sequence. The oxidation is overall tabular in form and strongly mimics the geometry of the mudstone sequence.

Hydrothermal alteration and veining of the mudstones does occur locally, both on the Dean Property and south on the adjacent Glory property. These areas are localized along NNE trending, small offset, normal faults and fractures zones which cut the mudstones.

These features are shown on the property geologic plan map, figure 7-3 above. The narrow, linear trends show low level but persistent silver anomalies to 4 ppm Ag. Lithium values are generally lower in the isolated hydrothermally altered and veined zones, as exposed at surface, no drilling into any of these narrow hydrothermally altered fracture zones has yet been done. It is possible that higher lithium grades could exist in alteration haloes around these paleo hot spring systems.
6.3 Property Mineralization

Lithium mineralization within outcropping and vertically extensive mudstone rocks of likely brine lake muddy water and evaporative concentration origin are now well documented across the Dean property by wide spaced drilling completed by Cypress in 2017. The mineralization is also readily apparent in surface rock chip samples collected on the lands but the down hole assay data from Cypress shows the extent and continuous nature of the discovered lithium mineralization to a greater advantage.

As has been said previously in this Report, property mineralization on the east half of the Dean claims consists of continuous, pervasive lithium mineralization of the lacustrine, mudstone host rock. The mineralization found to date occurs over a 75 to 100 meters average thickness carrying on average 1050 ppm lithium.

The mineralization is becoming thicker to the east where DCH-13 has returned 107 meters of 1134 ppm lithium. The hole ended in 912 ppm lithium for the last interval from 358 to 368 feet downhole. The average grade of the discovered zone also increases to the east. This increase appears to be linked to higher grade mineralization occurring within a thick, black and blue colored package of mudstones in the middle portion of the mineralized package of mudstones. Within a massive section of black mudstones intersected in DCH-13, an interval 32.3 meters thickness of 1481 ppm lithium within an overall intercept of 107 meters of 1134 ppm lithium was returned.

A series of East-West Cross Sections showing logged geology and hole to hole geologic interpretation as well as assay results from split core intervals have been prepared. The sections have been cut at 1000 metre intervals, one near the south Dean property boundary (being the property boundary between Cypress Dean Project and Cypress Glory Project). This south section is at 4177500N, UTM NAD 83 Zone 11N. The middle section is centred on 4178500N and the northern section, in the north-central portion of the Dean, is at 4179500N (Figure 7-5 below).

Cypress splits 100% of drill core from surface and through the entire mudstone section and into the underlying hard sandstone units seen in bottom of many of the holes. Ten foot interval samples taken between core footage marker blocks make up over 90% of the assay data. These individual sample assay results are plotted on the sections and are also available in the compiled drill exploration database for the project.

The sections were originally produced at 1:1000 scale and are included here at 1:2000 scale. The depicted ground surface line is schematic as no detailed elevation model or differential GPS surveys have been done. While differential GPS hole collar surveys are standard in the industry, the wide hole spacing and limited vertical relief combine to make such a survey lower priority. Going forward all existing and future hole collars will be survey with cm-scale accuracy.
The sections are now presented on the following three pages.
7.0 DEPOSIT TYPE

Geologic and mineralization cross sections within this Report clearly show a tabular zone of lithium rich mudstones. The geometry of the large scale picture is duplicated within small scale details of the mineralization collected during the logging of 14 core holes in 2017. All data supports a stratigraphic genesis of the known mineralization which occurred within a highly concentrated brine lake environment.

The stratigraphically high position of the mineralized mudstones above the thick overall sandstone and siltstone dominated basin fill suggests the mudstones formed very late the history of the paleo brine lake. Such a setting would be ideal for concentration of lithium from ash and groundwater inputs over a long period of evolution of the brine lake. These mineralized rocks near the top of the basin stratigraphic column are the result of millions of years of lithium input and concentration within the basin.

It appears the lithium precipitated out of the same muddy, ashy brine that formed the mudstone host rocks. The mudstones are dominantly composed of volcanic ash with finer grained clay, carbonate and salt minerals occurring interstitially between the rock matrix ash materials. As such, the large area of strong lithium infused mudstones might be considered a fossil lithium brine deposit, now perched above the east edge of the current salt playa.

The now tilted, large tabular zone of mineralization is found surrounding a thick reduced section within the mudstone package. The vast majority of significant lithium mineralization found to date forms a tabular slip that includes the central reduced zones as well as oxidized mudstone sections that both overlay and underlie the reduced core zone.

It appears that modern, oxidizing surface waters have penetrated down dip within more permeable facies of the main mudstone package and created a series of oxidation – reduction fronts. The highest grades of lithium found are contained within the massive reduced core zone which is up to 70 metres thick.

This overall geology of the mineralization as stated above, strongly suggests that an original sequence of lacustrine rocks that were already strongly enriched in lithium has undergone some redistribution of lithium in a tabular roll front reduction environment. The result of which is a thick zone of stronger mineralization within dark blue to black mudstones surrounded by moderately lower grade oxidized mudstones.

All of these characteristics, regardless of exaction processes involved in formation, appear to set the east Clayton mudstone lithium trend geologically well apart from other lithium deposits hosted by various forms of clay dominated rock types.

This distinction of geologic origin is not really within the scope of this section, but a few more comments will be made regarding this point, as to the implied differences.
Most large, commercial or potentially commercial sedimentary and volcanic rock hosted lithium deposits have a hydrothermal origin, lithium mineralization within hot spring style alteration of tuffaceous and other related volcaniclastic host rocks. Examples include the Kings Valley lithium resources in Humboldt County, Nevada and the active, pre-production project of Bacanora Minerals in Sonora, Mexico.

This stratigraphically complex, hydrothermal deposit style has several distinct differences with the style of mineralization so far discovered at the Dean property.

1. The host rock units of the hydrothermal style contain mineralized and non-mineralized horizons. The East Clayton fossil brine style are continuously mineralized over intervals much thicker than the total width of hydrothermal deposits, in which include roughly 30% unmineralized horizons.
2. Lithium in the hydrothermal style deposits is fixed in the matrix of hydrothermal clay minerals. The lithium in east Clayton style deposits is dominantly electrically fixed to clays, and held within carbonate and salt minerals.
3. The hydrothermal style lithium deposits tend to be of higher grade than the East Clayton style, when measured through mineralized zones only. However, the overall grade of complete sections through each deposit style is roughly the same when the dilution of non-mineralized horizons in the hydrothermal deposits is accounted for.

The thick, continuous nature of the lithium mineralization of Dean property area represents a newly recognized style of lithium occurrence which compares favorably with other non-brine and non-igneous lithium reserves, and in fact, appears to represent a significant opportunity for the potential development a large, new lithium production source.
8.0 EXPLORATION

Cypress has conducted limited surface sampling at Dean followed by detailed mapping and then wide spaced core drilling of the eastern portion of the property. This work has been carried out in 2016 and 2017, and is ready to start again with drilling in 2018 focusing on Dean Phase 3 NQ core drilling.

2016 surface sampling and the major 2017 diamond drill exploration program results from Cypress work on the Dean Lithium Project are outlined in the following sections and detailed in the section 10.0 of this Report.

8.1 SURFACE SAMPLING

Surface sampling of the Dean lithium property by Cypress started in late 2015. A modest amount of samples have been collected during a 10 month period ending in October, 2016.

Surface rock chip sampling of outcropping mudstones has been focused in two separate areas of the property.

1: Initial assays of Cypress, (USGS sampled earlier), of +2000 ppm lithium mineralization occurred west of the Angel Island fault, in the southwest portion of the property.

2: Discovery of high grade lithium mineralization, +3000 ppm lithium at surface in the NE portion of the Glory property was followed across the property boundary onto the south-central portion of the Dean property. This sampling covers essentially all of the exposed mudstone area but at low sample density.

A surface sample plan, figure 9-1 below, shows lithium assay results for surface sampling of the Dean property.
Figure 9-1 Dean Property Surface Rock Sampling Lithium Assays PPM

Cypress Dean Lithium Property
Cypress Glory Lithium Property

1:24,000
8.2 **Diamond Drilling**

Cypress conducted wide spaced diamond drilling on the Dean property in 2017. This drilling amounts to 14 NQ core holes for a total of 3657 feet. Table 9-1 below lists collar location total depth, with all holes being vertical. See details in the following section of the report.

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Cypress has implemented a quality assurance and quality control program to ensure that the drill core splitting, sampling and analysis of all samples is conducted in accordance with industry standard practices. Very important in this regard is the dry splitting of the core to avoid the introduction of water into the splitting process.

The location of the fourteen holes is shown on figure 9-2 below. The holes were completed in two phases using the same drill equipment and personnel.
## 2017 Dean Drill Results

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9.0 DRILLING

9.1 CYPRESS DEVELOPMENT CORP

No drilling on the Dean Lithium Property is known to have occurred prior to what has been completed by Cypress in 2017.

Assays of drill core from the 14 completed holes on the Dean property by Cypress in 2017 has been discussed in detail in earlier sections of this Report. The drilling has all been done by Morning Star Drilling of Three Forks, Montana, an independent drilling company owned and operated by Mr. Ken Rutt.

Remarkable continuity of lithium mineralization, both vertically and in plan view has been revealed by the assay results of the completed drilling. The upper 100 metres of sedimentary rocks, starting from surface, are continuously mineralized with an average lithium content of 1050 ppm Li. The thickness of continuous mineralization in the central and eastern portion of the property is >100 metres at an average grade >1100 ppm Li. The completed holes are wide spaced averaging 650 to 700 meters apart due to the very large area being explored.

Geologic logging of the completed core holes has allowed Cypress to identify a favorable section of ash mudstones that both overlies and underlies a strong, apparently planar, oxidation/reduction front. The color change in freshly drilled core is dramatic with olive green mudstones changing to blue and black mudstones. The change is sharp but frequently olive and blue mudstones are interbedded over several meters before continuous blue to blue black mudstones are intersected.

The remaining half drill core is stored in a building in Silverpeak. A number of holes have been used as bulk samples for initial metallurgical work on the mineralization. In these cases, the half core remaining from assay sampling has been placed into plastic pails and sealed for shipment.
10.0 SAMPLE PREPARATION, ANALYSIS & SECURITY

10.1 SAMPLE PREPARATION AND ASSAYING

For NQ drill core in 2017 the following procedures were used. Samples are all taken between wood core footage blocks are and dominantly 10 foot sample intervals. The core is split and returned to the box for later sampling. The technician then collects the samples by taking half of the core for each marked interval and placing the half core in standard plastic sample bags. A unique sample tag is included in the bag with each sample. The sample number is also written on the outside of the plastic sample bag.

The plastic sample bags are bundled together in large woven polyethylene sacks (rice bags) which are sealed at the cutting site. The samples are then taken to ALS Chemex or Bureau Veritas in Reno by Cypress personnel.

10.2 QUALITY ASSURANCE & QUALITY CONTROL

Certified reference materials were used by Cypress in the 2017 core drilling to provide assay standards as part of the QA/QC procedures for the Dean Lithium Project exploration programs.

Standard reference samples of known lithium concentration are inserted by Cypress in the sample sequences at a rate of one standard sample per 30 core samples. These standards are purchased in durable, pre-sealed aluminum packets. The assay results of the sample standards have been monitored for all assay batches of samples from the property. These results have been found to fall within the expected range of expected variability, as provided by the manufacturer of the standards. No systematic errors in sample assay results are apparent in the sample collection or assay process.

Sample repeats are carried out as a process check by the laboratory. After the sample has been crushed and pulverized, 2 subsamples are selected for analysis. Sample duplicates are best used to monitor the analytical method used by the laboratory, and should not be relied upon to monitor the overall quality control of the sampling program. The variability between original assays and repeat assays should be low.

A single sample duplicate from drill core on the Dean property has been done and resulted in near exact duplication of assay results obtained from separate samples of each half of the core. The information is in the database.
10.3 **Security**

All split core drill samples were bagged for shipment right at the drill site and were then collected and taken to the core shack in Silver Peak where they are kept locked up awaiting shipment to Reno. NQ drill core was delivered from the logging facility to Reno laboratory by Cypress personnel.
11.0 MINERAL PROCESSING & METALURGICAL TESTING

This section is beyond the scope of this Report.
12.0 MINERAL RESOURCE ESTIMATES

No resource estimates have been done by Cypress for the Dean Lithium Project property. This Report presents the geologic model so that independent resources estimates can be done.
13.0 MINERAL RESERVE ESTIMATES

No reserve estimates have been done by Cypress for the Dean Lithium Project property.
14.0 MINING METHODS

This section is not applicable.
15.0 RECOVERY METHODS

This section is beyond the scope of this Report.
16.0 PROJECT INFRASTRUCTURE

Project infrastructure currently consists of the state and county road system, and suitable voltage power lines, which allows ready access to the property and the promise of low cost power buildout. No other infrastructure was planned or required at the time this Report was prepared.
17.0 MARKET STUDIES

The lithium business is booming due to a revolution in transportation technology. Lithium batteries are quickly replacing other forms of vehicle propulsion in SE Asia and in Europe. Cypress has not done any market studies itself.
18.0 ENVIRONMENTAL STUDIES, PERMITS, & SOCIAL OR COMMUNITY IMPACTS

Cypress has not carried out any environmental studies relevant to this Report’s content nor that it has undertaken any studies in respect of any social or community impacts that would relate to its past exploration of the property or to any further exploration it might carry out pursuant to recommendations contained in this Report. That being said, Cypress is active in the local community, as will be detailed below.

Cypress has indicated that it does routinely apply for and receive notice level permits from the BLM to carry out current activities on the Dean property. Cypress is currently in compliance with all local and federal regulations and requirements relating to its activities on the property.

Under federal regulations and requirements, Cypress does not need to carry out any environmental, social or community impact studies or acquire any related permits, permissions or agreements to continue with exploration of the property pursuant to recommendations contained in this Report. This issue is also one that is in flux as the scale of the discovery is becoming more clear. Cypress anticipates that the detailed study of multiple environmental aspects of the property will be forthcoming. All of this is the natural regulatory evolution of a project as it passes from initial exploration to the advanced exploration stage.

Cypress has conducted all its exploration at the property in accordance with environmental standards and compliance requirements and is not aware of any environmental issues related to its activities at the site. Cypress is in the process of obtaining a routine permit to conduct the drilling activities recommend in this Report. Cypress will be required to post a reclamation bond in the amount of $13,750 that will be returned to Cypress once all reclamation of disturbance is completed.

Cypress employs, under contract, two people who live in the local community of Silverpeak. The two provide skilled labor in both the core drilling and property maintenance, and in the digging and filling of sumps. They are important part of the program as the two form part of the drilling and the reclamation team. The backhoe stays at each site allowing for quick and inexpensive initial reclamation.

Cypress has further ties in the Silverpeak community; a core shack building is being rented on Mica Avenue from another local resident. The importance of the location of the project in relation to Silverpeak is very high as the ability to find qualified contractors as well as to rent suitable core logging facilities saves travel time and money. At the same time Cypress is committed to conducting its lithium exploration in a best-practices manner, we want to have a good reputation within the local Silverpeak, Lida and isolated ranching communities, as well as in the Esmeralda county seat in Goldfield and in the regional mining center of Tonopah.
19.0 CAPITAL & OPERATING COSTS

This section is not applicable.
This section is not applicable.
21.0 ADJACENT PROPERTIES

The Dean Lithium Project property is completely surrounded by valid mining claims held by several exploration and mineral production companies. The surrounding claims are 95% placer claims. A small group of valid lode claims exists on the NE margin of the property. The Dean property also directly adjoins fee simple patent private lands owned by Albemarle Corp. along the west boundary (Figure 22-1).
22.0 OTHER RELEVANT DATA & INFORMATION

The brine lake that historically occupied the Clayton Valley was always hydrologically isolated from the major snow shed of the Sierra Nevada Mountains to the west. This fact becomes especially important during warming cycles that lead to massive fresh water run off events as glacial ice and snow packs melted.

Many dry playa basins exist in Nevada. One that is most similar in many ways to the Clayton is the Salt Wells basin east of Fallon, Nevada. Mining of a variety of salt minerals from Salt Wells has been ongoing since the development of the Comstock Lode in the late 1860’s. There is abundant salt at Salt Wells but very little lithium. One reason is certainly that the Salt Wells basin was connected to regional lake Lahontan during times of abundant fresh water runoff. Such a connection would allow the ever soluble lithium to escape the basin into the large, fresh water lake. Such has not occurred at Clayton.
Surprise discoveries occur for generations within mining districts. This is so common, in fact, that this point is more the rule than the exception. In the Clayton Valley, it's been over 50 years since Newmont division, Foote Minerals, filled the first barrel of lithium carbonate in the basin in late 1965. This was the first recorded production of lithium in Nevada and the Clayton Valley basin remains a very significant lithium producer today.

When Foote showed up and began building the mine, there was a surface brine lake present in the lowest portion of the salt playa, a very concentrated surface brine that may have run over 1000 ppm lithium. The surface brine was quickly mined away and pumping of lithium brine from groundwater aquifers began. The pumped brines were collected in evaporation ponds to allow the desert sun to further increase the concentration of lithium.

This process remains largely unchanged today. The evaporation ponds are now larger as lower and lower grade brines are pumped, but the process is the same. It may seem ironic to some that the evaporation process used to upgrade the brines at the mine is essentially the same one that has gone on in the basin for several million years, largely concentration through evaporation. The Clayton Valley has an enormous total endowment of lithium. This lithium has collected in the basin from a variety of sources, likely dominantly from lithium bearing volcanic ash.

The basin has collected, retained and concentrated this lithium for a very long time, both into mineral brines but also stored within a thick pile of lake bed mudstones that outcrops along the eastern edge of the Clayton. This pile of mudstones is evidence of a larger lake and suggests this ancestral brine lake has a history measured in millions of years, based on the recorded ages of the mineralized mudstones. Both the lithium brines and lithium mudstones result from evaporative concentration of lithium within a lake that is now gone.

It is within these well exposed, lithium infused mudstones that Cypress has made a significant new discovery within an aging lithium production center. The grade of lithium brines pumped into the ponds in the Clayton has been dropping steadily for decades, once grading over 500 ppm and now averaging closer to 100 to 150 ppm lithium.

Cypress, through completion of initial exploration sampling and drilling, has quickly outlined an area measuring approximately 3.5 kilometers by 1.75 kilometres on its Dean Lithium Property that contains a section of continuously mineralized mudstones averaging 1050 ppm lithium. Extension drilling both on the Dean property, as well as on the adjacent Cypress Glory property is permitted and will be underway in early February 2018.
Cypress believes that the mudstone hosted lithium discovered in the east Clayton could be a major key to revitalizing the Silverpeak Lithium Production Complex, as current grades of the brines in the Clayton are dropping and, as a result, more and more groundwater at lower lithium grades is being pumped into evaporation ponds.

If the lithium in the east Clayton Lithium Trend can be brought into solution it might then be fairly straightforward to adjust the chemistry of these synthetic brines so that they could flow into the existing evaporation ponds and be worked through the existing processes and existing mill of Albemarle Corp. The end result of such a process could be much higher initial lithium concentrations in the ponds and a resulting increase in lithium production from the Clayton Valley. This increase could be significant and push the Clayton Valley upward on the list of the world’s biggest lithium production areas.

Such a result would be well aligned with Albemarle’s corporate goals for its lithium business, Albemarle routinely comments in official press releases that it intends to acquire a large percentage of all commercially viable new lithium discoveries made worldwide as it ramps up production from its existing resource base. Cypress is diligently going about the business of advancing the discoveries made at the Dean Lithium Project to the point where the discovery attracts the attention of Albemarle or another major lithium producer.
24.0 RECOMMENDATIONS

The Dean property is quickly transitioning from a grassroots stage project to an advanced stage project. The wide spaced exploration and extension drilling that is completed along with three additional holes planned for early 2018 will bring the project to a point where an independent initial resource estimate will be done.

Looking ahead, the drilling at Dean will have to begin to change from exploration and extension, to delineation drilling. Cypress anticipates that getting to 500 meter average drill spacing will require roughly 25 additional holes within the current known mineralized area at Dean. This infill can be prioritized based on a number of factors, including infill drilling in higher grade areas already discovered.

The simplicity of the geologic model, as presented in this Report will help in that this should allow for wider spaced holes without impacting confidence of the position and grade of calculated resources.

As the project advances in 2018, it is recommended that initial ground surveys of wildlife and plants, as well as archeology be made in preparation for completing a plan of operations with the BLM in the 2018 to 2019 time frame.
This Report titled “Dean Lithium Project National Instrument 43-101 Compliant Technical Report” and dated February 2018, was prepared and signed by the following author:

Date effective as of February 3, 2018.

Robert D. Marvin  P.Geo. - CPG
CERTIFICATE

I, Robert David Marvin, do hereby certify that:

1. I reside at 35 Chuck Wagon Road, Reno, Nevada.

2. I am Principle of Red Rock Exploration LLC a firm dealing in economic geology consulting and am Vice President of Exploration and a Director for Cypress Development Corp.


4. I am a graduate from the University of New Mexico with a Bachelors Degree with Distinction (1984), I completed 15 credit hours of post graduate education in geology at the University of Nevada and I have practised my profession continuously since 1985. In addition I have taken abundant college course work in climatology including the study of paleo lake levels

5. I am a Practising Member in good standing of both the Association of Professional Geologists of Ontario (APGO) (Registration #2021) and Certified Professional Geologist (CPG).

6. I am a "Qualified Person" for the purpose of NI 43-101. My relevant experience includes 30 years of experience in mineral exploration and mine geology. I have been on the ground as a geologist on hundreds of exploration projects and producing mines,

7. I directly managed the exploration of the Dean Lithium Project property since it began in January 2016.

8. I am responsible for all sections of this technical report.

9. I am not independent of the issuer as described in Section 1.5 of NI 43-101.

10. I have not had any prior involvement with the property that is the subject of this technical report prior to being asked to manage the exploration in 2010.

11. I have read NI 43-101, Form 43-101F1 and have prepared this technical report in compliance with NI 43-101, Form 43-101F1 and generally accepted Canadian mining industry practice.

12. As of the date of the technical report, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

signed by
Robert D. Marvin
February 3, 2018
REFERENCES


Noram Ventures Inc. and Alba Minerals Limited Lithium Resource Estimate, Clayton Valley, Bradley C. Peek CPG and Raymond P. Spanjers, P.G., of North Carolina, USA, each a “qualified person"

Pure Energy Minerals “Inferred Resource Estimate For Lithium, Clayton Valley South Project, Clayton Valley, Esmeralda County, Nevada, USA” dated July 17, 2015 was prepared for the Company by Raymond P. Spanjers, P.G., of North Carolina, USA, a “qualified person"

