



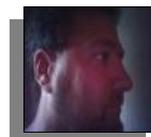
The Stateside Report



“A Unique Report Service for the Intelligent Resource Investor”



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Cypress Development Corp.

September 17, 2018

Maiden PEA Exceeds Expectations - NPV at \$1.45 Billion, 32.7% IRR After-Tax – Company Market Cap Under \$20 Million

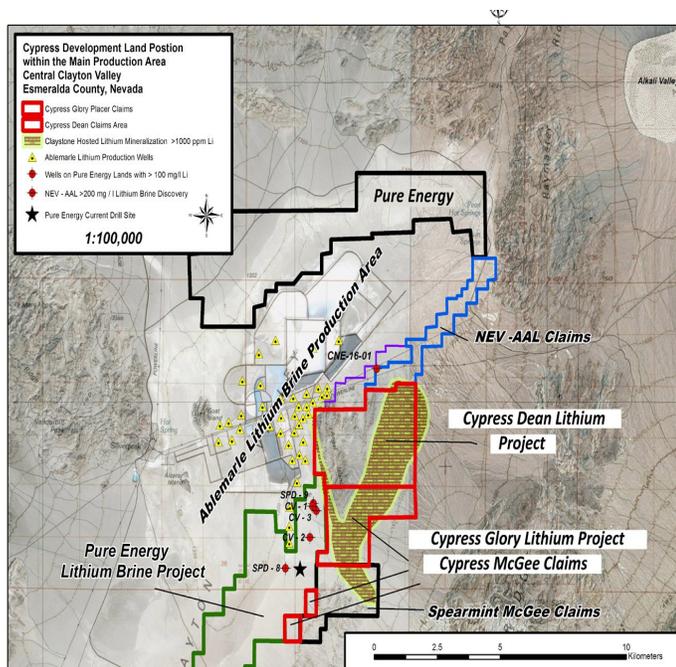


- CYP-CAD, CYDVF-US, C1Z1-Germany
- Share price - \$.32 CAD
- Only 61.6 million shares outstanding
- Market cap: \$19 million
- Maiden PEA NPV of \$1.45 Billion
- Surprise increase in resources
- Metallurgical studies continue to be positive
- Listen to Don Mosher talk about the recent press release at these two interviews:
<https://www.howestreet.com/2018/09/07/robust-pea-reported-for-lithium-project-clayton-valley-nevada/> and
<https://www.youtube.com/watch?v=wfGBKlYfe8I&feature=youtu.be>

Summary

On September 6th, 2018 Cypress released their highly anticipated maiden PEA from their Dean lithium project in the Cypress Valley of Nevada. The economics are remarkable:

- \$1.45 billion NPV at 8% discount rate
- 32.7% after-tax IRR
- LCE sales price of \$13,000/T
- Cost to produce under \$4,000/T
- Capital costs \$482 million
- Increased resource to 3.8 million tons LCE indicated, 5.1 million tons LCE inferred



Cypress CEO Dr. Bill Willoughby commented *"This is another important milestone for the project and Cypress. The PEA outlines the steps necessary for a mine and mill at Clayton Valley, including a sulfuric acid plant which is the main driver in the costs. GRE uses a conventional approach in processing and developed a production schedule that utilizes only a small fraction of the total resources on the property. The end result is a project that has strong economics and the potential to generate significant cash flow."* See the full press release at <https://www.cypressdevelopmentcorp.com/news/2018/cypress-development-announces-positive-preliminary-economic-assessment-pea-for-clayton-valley-lithium-project-nevada/>

The Impact

Cypress is now on the radar of several end-user lithium companies as a result of this important milestone. The PEA highlights to potential institutional investors a highly economic, long-lasting project in a very favorable jurisdiction. Retail investors (the vast majority of Cypress shareholders) reacted as expected by "selling the news" resulting in a quick 30% drop in the share price but value investors have recently stepped in to move the share price higher.



Next Steps

The next step in the validation process is the building of a pilot plant that would prove once and for all that the lithium can be extracted economically as part of the lead up to a feasibility study. Management is looking at a location in Tonopah, Nevada for the pilot plant. This next step is critical as there are no other claystone lithium producers in the world. The other three North American lithium claystone companies who are in the preliminary stages of moving their projects forward are all valued in the several hundred million dollar range compared to Cypress's market cap of under \$20 million.

Conclusion

The progress that Cypress management has made in the past 18 months taking the company from a maiden drill program to a highly economic PEA is truly remarkable. Even more shocking is that all of this was done for less than \$2 million. Shareholders should appreciate the frugality of the company over the past year while experiencing share price gains of nearly 200%. This is all the more impressive as most other lithium companies have seen their share prices decline over 50% during the same time frame. Company management has proven that they are more than capable of exceeding market expectations over the coming year.

See the company's updated September 2018 presentation at:

https://www.cypressdevelopmentcorp.com/site/assets/files/3567/cyp_ppt.pdf

Vince Marciano
September 17, 2018





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