

This is the form of material change report required under Section 67(1) of the *Securities Act*.

FORM 27

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

Item 1. Reporting Issuer

CYPRESS DEVELOPMENT CORP.
#1950 – 777 Dunsmuir Street
Vancouver, British Columbia
V7Y 1K4

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Fax: (604) 687-3119

Item 2. Date of Material Change

July 18, 2001

Item 3. Press Release

The date of the press release issued pursuant to Section 67(1) of the Act with respect to the material change disclosed in this report is July 18, **2001**. The press release was issued in Vancouver, British Columbia.

Item 4. Summary of Material Change

The Company reported today that Mid-North Resource Ltd. was successful in its Appeal of the default judgment from the B.C. Supreme Court pronounced on May 2, 2001.

Item 5. Full Description of Material Change

Further to the Company's news release dated May 25, 2001, the Company reported today that Mid-North Resource Ltd. was successful in its Appeal of the default judgment from the B.C. Supreme Court pronounced on May 2, 2001. The Company obtained that Default Judgment because Mid-North failed to reply to the claim, as required by the Rules of Court. The default judgment declared that Mid-North had forfeited its interest under the Joint Mineral Exploration Option Agreement dated April 28, 2001 between the Company, Mid-North and White Pines Mineral Corp. The Option Agreement covered the Gunman property in White Pine County, Nevada. The Company initially commenced an action against Mid-North in February, 2001 to collect from Mid-North, Mid-North's share of expenditures for exploration and development work undertaken on the Gunman property pursuant to the Joint Option Agreement. The Company was initially seeking repayment of the sum of \$92,415.53 which it had advanced on Mid-North's behalf and for which it was not reimbursed. The Company indicated that it would be pursuing its debt action and that

the Company would be amending its claim to seek repayment of the sum of \$156,099.10 which has now been advanced on Mid-North's behalf for exploration expenditures related to the Gunman property.

Item 6. Reliance on Section 67(2) of the Act

N/A

Item 7. Omitted Information

N/A

Item 8. Senior Officer

The following senior officer of the Company is knowledgeable about the material change disclosed in this report:

Donald C. Huston
Phone: (604) 687-3376

Item 9. Statement of Senior Officer

I, the undersigned, President and Director of the Company, hereby certify that the foregoing information accurately discloses the material change referred to herein.

Executed at Vancouver, British Columbia this 18th day of July, 2001

"Donald C. Huston"

Donald C. Huston
President/Director