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

BC FORM 53-901F

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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Item 2. **Date of Material Change**

May 2, 2002

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 **May 2, 2002**. The press release was issued in Vancouver, British Columbia.

Item 4. **Summary of Material Change**

South Voisey Bay Project

Item 5. **Full Description of Material Change**

Mr. Don Huston President of Cypress Development Corp. (CYP) provides the following information on the South Voisey Bay Project.

In early September 2001, South Voisey Bay Nickel (SVBN) of which CYP has 11.36%, entered into an option agreement with Falconbridge Limited, whereby Falconbridge can earn a 50% interest.

Falconbridge has carried out a $750,000 work program consisting of geological mapping, line cutting, 139 line kilometers of UTEM geophysics and diamond drill core re-logging. Falconbridge has used its geological, geochemical and geophysical expertise to compile, integrate and interpret all previous and new data to validate the application of the Voisey's Bay geological model to South Voisey Bay and to generate new drill targets for the 2002 program and for future programs.

Based on a preliminary program and budget, the 2002 program is expected to include line cutting, geology, surface UTEM and borehole UTEM surveys, 3D modeling of magnetic and gravity data and diamond drilling.

Geological work will include detailed mapping within new UTEM loops and of key contacts and subunits of the South Voisey Bay gabbros, in order to better understand the geology of areas where geophysical work and drilling will be conducted. Geological mapping will be carried out to help understand structural complexities, to identify additional gabbros and to help in the selection of areas for an airborne TEM survey planned for late 2002 or early 2003. Re-logging and limited geochemical sampling of key 1996 -1998-drill core will be carried out.

Surface UTEM loops will be used to improve spatial and conductance modeling of DEEPEM step-response and UTEM loop edges anomalies. Borehole UTEM surveys will be carried out on all new drill holes and several 1997 and 1998 holes with poorly localized high quality off-hole DEEPEM anomalies. 3D modeling of magnetic and gravity data will aid in the deep geological interpretation of the South Voisey Bay gabbros.

Diamond drilling in two shallow drill holes will target untested high quality conductors, located throughout the South Voisey Bay Project area. Initial drilling will focus on high conductance EM anomalies outlined by the 2001 UTEM survey, followed by drilling of high conductance targets interpreted from the reprocessed 1997/1998 DEEPEM data and resolved by the 2002 UTEM surveys.

Weather permitting, it is expected that the camp will be operational by mid- June and that drilling will commence on drill ready targets by early July.

Falconbridge is committed to spend an additional $1.25 million by the end of 2002, for a total of $2,000,000 to meet its expenditure commitments and maintain its option. Additional expenditures in 2002 will be contingent on results.

The ownership of SVBN is as follows: Donner Minerals Ltd. 76.69%; Cypress Development Corp, 11.36%; NDT Ventures Ltd. 6.55%; Rcom Venture Corp. 4.20%; UC Resources Ltd. 1.20%.

Management of the Company is extremely pleased with the expertise that Falconbridge brings to the South Voisey Bay Project and the quality of the targets that have been identified for drilling in 2002. Management is also encouraged with Falconbridge's balanced long-term approach of drilling existing targets and identifying new targets for future programs.

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

The foregoing accurately discloses the material change referred to herein.

Executed at Vancouver, British Columbia this 2nd day of May, 2002.

"Donald C. Huston"

DONALD C. HUSTON
President