

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

Telephone: (604) 687-3376
Fax: (604) 687-3119

Item 2. Date of Material Change

May 28, 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 28, 2002**. The press release was issued in Vancouver, British Columbia.

Item 4. Summary of Material Change

Granted incentive stock options.

Item 5. Full Description of Material Change

The Company wishes to announce that it has granted incentive stock options to purchase up to an aggregate of 572,485 shares of the Company at \$0.12 per share to certain of its employees and directors. The options will be exercisable for a period of two years and are subject to regulatory approval.

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 28th day of May, 2002.

“Donald C. Huston”

DONALD C. HUSTON
President