

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.
885 West Georgia Street - Suite 1490
P.O. Box 1048
Vancouver, BC V6C 3E8

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

Item 2. Date of Material Change

February 18, 2004

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 **February 18, 2004**. The press release was issued in Vancouver, British Columbia.

Item 4. Summary of Material Change

Company closed its non-brokered private placement.

Item 5. Full Description of Material Change

The Company announces that it closed its 1,250,000 unit non-brokered private placement at \$0.10 per unit announced by news release dated January 20, 2004. 780,000 units are subject to a hold period until June 17, 2004 and 470,000 units are subject to a hold period until June 19, 2004. 780,000 share purchase warrants are exercisable until February 16, 2005 and 470,000 share purchase warrants are exercisable until February 18, 2005.

The Company wishes to announce that it has granted incentive stock options to purchase up to an aggregate of 135,110 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.

To find out more about Cypress Development Corp. (TSX: CYP), visit our website at www.cypressdevelopmentcorp.com.

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:

Don Huston, President
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 18th day of February 2004.

“Don Huston”

Don Huston
President