

**FORM 51-102F3**  
**Material Change Report**

**Item 1.                    Name and Address of Company**

**CYPRESS DEVELOPMENT CORP.**

Suite 1490 – 885 West Georgia Street,  
Vancouver, B.C.  
V6C 3E8

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**Item 2.                    Date of Material Change**

February 24, 2005

**Item 3.                    News Release**

The date of the press release issued pursuant to Section 7.1 of National Instrument 51-102 with respect to the material change disclosed in this report is **February 24, 2005**. The press release was issued in Vancouver, British Columbia.

**Item 4.                    Summary of Material Change**

Phase 1 drill program on McKenzie Island completed Red Lake, Ontario.

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

Cypress Development Corp. announces that the phase one drill program on the St Paul's Bay region of the Cypress (TSX.V: CYP 80%) / Skyharbour Resources Ltd. (TSX.V: SYH 20%) McKenzie Island property has been completed. Seven holes (approx. 1700 metres) were drilled to test for mineralization along a NW/SE trending structure known as the "D2" Zone. To-date, all cores are being logged and split and samples are being shipped to TSL Laboratories in Saskatoon, Sask. **Assays are pending**. The Company is encouraged with the drill program to date and a second phase is being planned subject to assays and data compilation.

Cypress Development Corp. is a diversified precious and base metal exploration and development company with a gold property in Red Lake, Ontario Canada, and 2 gold properties and a zinc property Nevada, U.S.A. The Company also holds an 11.4% interest in a company called South Voisey Bay Nickel Co. Ltd.

**Item 6.        Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

**Item 7.        Omitted Information**

N/A

**Item 8.        Executive Officer**

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

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

**Item 9.        Date of Report**

February 24, 2005