FORM 51-102F3
Material Change Report

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

CYPRESS DEVELOPMENT CORP.
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Vancouver, B.C.
V6C 3E8

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Item 2. **Date of Material Change**

March 31, 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 **March 31, 2005**. The press release was issued in Vancouver, British Columbia.

Item 4. **Summary of Material Change**

Phase II drilling to start on McKensie Island Project Red Lake, Ontario.

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

Cypress Development Corp. (Cypress) is pleased to announce that a diamond drill rig and crew are being mobilized to the Company's 80% owned St Paul's Bay project (McKenzie Island Property) located in Red Lake, northwestern Ontario at this time. Cypress anticipates the start up of the Phase II drill program to commence on or about April 5, 2005. Rodren Drilling of Winnipeg has been contracted to carry out the drill program. The program will consist of up to 2000 metres of infill and step-out drilling to continue to expand a new gold zone discovered during its Phase I drill program.

The Company completed its Phase I drill program in February 2005, which consisted of 7 reconnaissance holes totaling approximately 1700 metres. As reported in Cypress' news release March 7th, discovery Hole #3 returned assays of 1.93 g/t Au over .7 metres, 4.04 g/t Au over .45 metres, and 23.87 g/t Au over .2 metres. Reconnaissance Hole # 7 encountered a 5.5 metres wide zone of gold mineralization that returned assays averaging 2.1 g/t Au. Hole 4 returned highly anomalous gold values over a 60 metres interval from a depth of 124 metres to 184 metres. Sulphides identified in all holes included pyrite, calcopyrite, sphalerite,

and arsenopyrite, with visible gold. These holes represent the first holes drilled on this part of the McKenzie Island property.
The strike length of this major altered system has not been limited by the phase I exploratory drill program and mineralization is completely open in all directions.
Map: http://www.cypressdevelopmentcorp.com/images/maps/intercepts.jpg

Cypress and its partner on the McKenzie Island property, Skyharbour Resources Ltd. (TSX.V: SYH-20%), continue to be very encouraged by the scale and the intensity of the alteration and gold mineralization encountered to date over an initial strike length of + 600 metres.

David J. Busch, B.A., B.Sc. (hons.), PGeo., is the qualified person under the meaning of National Instrument 43-101, and has reviewed the data acquired on the McKenzie Island Property.

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.

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

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

March 31, 2005