

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

CYPRESS DEVELOPMENT CORP.
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Item 2. Date of Material Change

March 31, 2006

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, 2006**. The press release was issued in Vancouver, British Columbia.

Item 4. Summary of Material Change

**Phase 1 Drill Program Completed on Broulan Reef Property,
More Drilling Planned, Red Lake, Northwestern Ontario**

Item 5. Full Description of Material Change

Vancouver, BC - Cypress Development Corp. (TSX.V: CYP) is pleased to announce that the drilling of the Phase 1 Broulan Reef property has been completed on the ice of Red Lake, Ontario. Drilling of the Broulan Reef gold project started February 15, 2006. To date, the Cypress Development / Skyharbour Resources Ltd. (TSX.V: SYH) joint venture has drilled a total of 5 holes consisting of approx. 2400 metres. Assays are pending and expected before the end of April.

Map: <http://www.cypressdevelopmentcorp.com/i/maps/CYP-McKenzie-Island-New-Map.jpg>

The companies announce that they will continue drilling on the Broulan Reef project as soon as spring breakup is completed. It is anticipated that the Phase 2 drilling will commence the beginning of June 2006. The companies have made arrangements with the contractor, Rodren Drilling, to supply a larger diamond drill rig capable of up to +/- 4000 foot holes.

The CYP / SYH joint venture has been very pleased with the initial geological information provided from the Phase 1 drill program so far. The companies started an aggressive Phase 1 exploration program on a completely unexplored property situated in the heart of the Red Lake gold camp. The location of this unique property is within sight and on trend of several world class gold deposits, most notably the prolific gold producers of the Goldcorp and Placer Dome mines. The only geological knowledge that Cypress and Skyharbour had of the property was from inferences drawn from the adjacent property rock exposures and regional geophysics, being that

the Broulan Reef property is almost all under the waters of Red Lake. The strategy of the companies this winter has been to acquire and develop broad based data on the entire property. A detailed ground magnetometre survey was completed on the property in January 2006. First and second derivative maps were constructed and inversion modeling performed on the data. Drilling has been planned to maximize coverage of the property and to build a reliable geological model while maintaining flexibility of drill hole locations to capitalize on opportunities.

The companies believe that the property covers a major fold closure situated in prospective lithologies. Shears and faults have been expected to be encountered in the drill holes based on the detailed magnetometre data as well as data from the adjoining properties. Drilling to date has in fact delineated the major folding based on a distinctive rhyolite horizon that occurs within the Bruce Channel sediments. The rhyolite horizon is found to be 200 to 300 metres thick and is typically sheared with sericite alteration. This major fold appears to indicate an antiform with dips and tops to the west. The east or inside margin of the rhyolite is marked by several zones of silicification with varying degrees of sulfides present (Chalco pyrite, pyrite, pyrrhotite, and fine arsenopyrite are evident within these sediments). Some of these silicified zones appear to have continuity even between the wide spaced reconnaissance holes drilled to date. Sediments including sandstone, argillite, wacke and pebble conglomerate beds mark the west or outside margin of the rhyolite. Again diffuse zones of silicification with arsenopyrite are evident within the sediments.

Mr. Don Huston, President of Cypress Development stated: "The Company is very encouraged with the alteration zones consisting of silicification and arsenopyrite as the most distinctive components. The alteration occurs in similar lithologies and has a similar alteration style as to the Wolfden's "Folansbee property" to the east of the Broulan Reef property. "

In other news, Cypress Development has negotiated the use of a Reverse Circulation (RC) drill rig for its Verde silver / copper and Scorpion gold projects in Nevada. Work is expected to begin mid May 2006. A further News Release detailing this program will be provided before drilling commences. Cypress Development also intends to issue a News Release shortly regarding its exploration plans for its high grade zinc oxide / sulphide project located in northeastern Nevada.

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, Director
Phone: (604) 687-3376

Item 9. Date of Report

March 31, 2006