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

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

Item 2. **Date of Material Change**

June 12, 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 **June 12, 2006.** The press release was issued in Vancouver, British Columbia.

Item 4. **Summary of Material Change**

Start of Phase II Drill Program on Broulan Reef Gold Project
Live Management Webcast Today at 9am Pacific

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

Vancouver, BC - Cypress Development Corp. (TSX.V: CYP) announces that Don Huston, President and Dave Busch, B.A., B.Sc., P.Geo.**,** Vice President of Exploration **will hold a live Webcast on Monday June 12th at 9am pacific** to allow securities analysts, brokers, investors, and shareholders the opportunity to hear management discuss the start of the Phase II drill program on the Company's Broulan Reef gold project in Red Lake, Northwestern Ontario.

The call is being webcast by Vcall and can be accessed at the Company's website at www.cypressdevelopmentcorp.com. Investors can also access the webcast at www.vcall.com/IC/CEPage.asp?ID=105697. The audio webcast will be available for replay on Cypress Development's web site.

The Broulan Reef property covers a regional fold closure in rocks of the Bruce Channel sediments. These sediments have become the target of intense exploration as Wolfden Resources (WLF) continues to expand their Bonanza deposit on their Folansbee property to the east and Southern Star Resources / Exall Resources (SSR / EXL) continue to expand a zone under the Bruce Channel adjacent to the Broulan Reef project to the north on their Gold Eagle property.
www.cypressdevelopmentcorp.com/i/maps/CYP-Broulan-Reef-Prospective1.gif
www.cypressdevelopmentcorp.com/i/maps/CYP-Broulan-Reef-Prospective2.gif

The Broulan Reef summer 2006 Phase II drill program will consist of holes drilled deeper into the regional fold closures of the Bruce Channel sedimentary horizons in an attempt to encounter the higher grade gold intersections reported by both SSR / EXL to the north and WLF to the east of the Broulan Reef boundaries. With the drilling to date having encountered the numerous gold bearing zones and with the ideal geological location of the property, the companies believe that there is significant potential to warrant an extended summer 2006 Phase II diamond drill program.

The Company holds an 80% interest in the property with Skyharbour Resources Ltd. (TSX.V: SYH) holding the remaining 20% interest.

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

June 12, 2006