

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

CYPRESS DEVELOPMENT CORP.

Suite 2230 – 885 West Georgia Street,
Vancouver, B.C.
V6C 3E8

Telephone: (604) 687-3376

Fax: (604) 687-3119

Item 2. Date of Material Change

October 16, 2007

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 **October 16, 2007**. The press release was issued in Vancouver, British Columbia.

Item 4. Summary of Material Change

Drill Commences on Broulan Reef Gold Project in Red Lake, Ontario

Item 5. Full Description of Material Change

Vancouver, BC - Cypress Development Corp. (TSX-V: CYP) today announced that it has commenced drilling on its Broulan Reef Gold Project with Cabo Drilling establishing a JKS Boyles BBS-75 diamond drill on the Company's project located in Red Lake, Northwestern Ontario. The drill rig is capable of achieving drill hole lengths of up to 2400 metres and is situated on the east shore of the Bruce Channel on claim # 41962.

"This is an important step forward in the ongoing development of the Broulan Reef project," said Donald Huston, President of Cypress Development. "We believe there is an opportunity to encounter the extension of the Gold Eagle Mines deposit now being discovered and delineated in the Bruce Channel and anticipate drilling will last approximately 12 months."

Broulan Reef Project Location Map:

<http://www.cypressdevelopmentcorp.com/s/Image.asp?i=maps/CYP-Broulan-Reef-New-Map.jpg>

Cypress anticipates the drilling of two mother holes with several diverging holes to be wedged off each of the main holes. The Company intends to drill up to 10,000 metres with this Phase 1 deep drill program. A budget of \$2.5 million dollars is in place for the completion of a Phase 1 deep penetration drill program on the Broulan Reef gold claims.

Proposed Broulan Reef Drill Hole Map:

<http://www.cypressdevelopmentcorp.com/s/Image.asp?i=maps/CYP-Picture5.jpg>

The target for the 2007-2008 deep drill program is the Balmer Assemblage rocks underlying the Bruce Channel sediments, as established during the drill program conducted on the Broulan Reef project in the summer and autumn of 2006. Dips within the Bruce Channel rocks on the west limb of the broad nose fold are approximately 45 degrees to the west. The shallow dipping unconformity has very significant implications for the Broulan Reef property. With known points of elevations of the Balmer Assemblage surface, it is projected that this rock type horizon will be at an inferred vertical depth of between 900 metres on the eastern edge of the property and 2000 metres on the western part of the property. **At these depths, targets in the Balmer Assemblage rocks are within explorable and exploitable range over most of the property.**

New Red Lake Gold Deposits Map:

<http://www.cypressdevelopmentcorp.com/s/Image.asp?i=maps/CYP-Picture2.jpg>

Gold Eagle Mines adjoins the Broulan Reef project on the immediate northern boundary. Goldcorp / Premier Gold adjoin the Broulan Reef project on the eastern boundary with their Rahill-Bonanza project. Gold Eagle, and Goldcorp / Premier Gold continue to drill just to the north and east of Cypress' property with very impressive results released to date.

Goldcorp invested in a private placement with Cypress Development in May 2007 in the amount of \$2.6 million at a price of \$0.65 per share. Goldcorp, in essence, has acquired 4.8% of the outstanding shares of Cypress with an option to acquire another 4.8% via the exercise of \$1.00 warrants attached to the private placement.

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

October 16, 2007