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
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Item 2. **Date of Material Change**

December 17, 2008

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 **December 17, 2008.** The press release was issued in Vancouver, British Columbia.

Item 4. **Summary of Material Change**

Cypress & Skyharbour Drilling on their Broulan Reef Bruce Channel/Red Lake Gold Project

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

Vancouver, BC - Cypress Development Corp. (TSX-V: CYP) (FWB: C1Z) and **Skyharbour Resources Ltd. (TSX-V: SYH)** are pleased to provide a project update on their ongoing Cypress (80%) Skyharbour (20%) owned Broulan Reef drill program in the heart of the Red Lake, Ontario gold camp. The Broulan Reef property is situated along the prolific Red Lake trend, west of Goldcorp Inc.'s operating Red Lake and Campbell Mines, and immediately southwest of the Goldcorp Gold Eagle major gold discovery in the Bruce Channel zone.

Bruce Channel Red Lake, Ontario Map:
http://www.cypressdevelopmentcorp.com/s/Image.asp?i=maps/CYP-Broulan-Reef-New-Map.jpg

The companies currently have 2 diamond drill rigs operating on the their Broulan Reef property. Chibougamau Diamond Drilling is the contractor responsible for completing a series of deep holes to be drilled in an attempt to extend the strike of the recent Gold Eagle gold discovery onto the Cypress / Skyharbour Broulan Reef ground.

Updated Short Broulan Reef Project 3D Video:
http://www.cypressdevelopmentcorp.com/s/RedLake.asp?ReportID=162302

Drilling by the companies is continuing with hole BR08-2 nearing the projected strike extension of the Finn zone discovered by Gold Eagle Mines on the north flank of the Broulan Reef property. Although there is still a long ways to go, initial signs of alteration are starting to appear in the core from this hole. Hole BR08-2 has entered a zone of fracturing and veining at about 1500 metres. This is a change from the massive unaltered basalts seen to date in the Balmer Assemblage and may indicate proximity to a mineralized system. Drill hole BR08-2 is at a depth of approximately 1500 metres with an anticipated total depth to be 2400 metres. The hole encountered the mafic volcanics of the Balmer Assemblage at about 1000 metres. This hole is designed to test the northern portion of the Broulan Reef claims cutting the strike extension of the Finn zone as seen by drilling on the Goldcorp Gold Eagle project. A normal sequence of Bruce Channel sediments was encountered above the Balmer Assemblage on this hole.

A second drill on the Broulan Reef property is testing the geologic nose fold area of the Balmer Assemblage. Drill hole BR08-3 is still in a normal sequence of Bruce Channel sediments with the hole just emerging from the iron formation unit at 480 metres. This hole is encountering formations at a different angle than all previous holes in the area. Some challenges are emerging in predicting where this hole will go. Hole BR08-3 is at 500+ metres and drilling has crossed over from Goldcorp's Gold Eagle property onto the Broulan Reef property. Balmer Assemblage rocks are expected at around 850 metres depth in this hole with an anticipated total depth of 2400 metres

Chibougamau Drilling will be putting the project on standby over the Christmas holidays, starting the 16th of December. Drilling is scheduled to resume on the 2nd week of January, 2009.

Cypress and Skyharbour also announced that they are completing approximately $2.7 million in flow-through financings. These funds will keep the Cypress / Skyharbour drilling continuing on the Broulan Reef project through all of 2009. Cypress and Skyharbour currently have over $7 million in working capital and no debt.

Management maintains the belief and the confidence that the Broulan Reef land package has tremendous opportunity to encounter the same geological success as the Gold Eagle project to the immediate north of the Broulan Reef property. Since the $1.3 billion dollar purchase of Gold Eagle Mines by Goldcorp, work on the Bruce Channel and adjacent zones has continued unabated. Geological evaluation of these deposits and their potential development can only improve the viability of any resource found on the Broulan Reef property of Cypress Development and Skyharbour Resources. It appears that the Gold Eagle deposits will be a significant part of the ore feed for the Goldcorp mill complex in Balmertown in the future.

David J. Busch, B.A., B.Sc., PGeo., Vice President of Explorations, is the qualified person under the meaning of National Instrument 43-101 and has reviewed the data in this News Release.

Item 6. <u>Reliance on subsection 7.1(2) or (3) of National Instrument 51-102</u>

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**

December 17, 2008