

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

January 13, 2010

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 **January 13, 2010**. The press release was issued in Vancouver, British Columbia.

Item 4. Summary of Material Change

Cypress & Skyharbour resume drilling on Broulan Reef Bruce Channel / Red Lake Gold Project.

Item 5. Full Description of Material Change

The Companies s are pleased to provide an update on their ongoing diamond drill program on Cypress (80%), Skyharbour (20%) owned Broulan Reef Project located in the heart of the prolific Red Lake gold camp in Northwestern Ontario. The Broulan Reef property adjoins, on strike, to the southern boundary of the Cochenour / Bruce Channel major gold deposit now being brought to the production stage by Goldcorp.

Bruce Channel Red Lake, Ontario Map:

http://www.cypressdevelopmentcorp.com/s/Image.asp?i=photos/Bruce_Channel_Photo.gif

Drilling was halted on the Broulan Reef property for the Christmas holiday. The drilling crews are now being mobilized by Chibougamau Drilling, Quebec, back into Red Lake. The companies anticipate drilling to resume January 13th, 2010. Drill hole BR 09-02 is at a depth of 1506 metres. Drilling will resume immediately on BR 09-02 and it is anticipated that the hole will be drilled to a depth of

approximately 3000 metres. This hole is expected to be completed by the end of February.

Once this main mother hole is completed, a series of daughter (wedge) holes will be established at different depth intervals. This will allow Cypress and Skyharbour wide exposure to a north / south direction as well as the vertical component. This hole was planned by Cypress' and Skyharbour's management as a way to drill directly at the projection of the main ore controlling shear zone seen in the Goldcorp Bruce Channel gold deposit (BCD) to the immediate north.

Previous drilling on the Broulan Reef (Hole BR09-01) was designed to test for the presence of the north / south shear / breccia system that is host to the major Bruce Channel gold deposit now being developed by Goldcorp. The prospective structure has revealed the presence of an intense zone of shearing, brecciation and massive calcite-biotite-actinolite-ankorite veining within the mafic / ultramafic volcanic rocks of the Balmer formation located on the Broulan Reef property at a hole depth of approximately 2600 metres in BR09-01.

Cross section of Broulan Reef drill hole BR09-01 (looking North)

<http://www.cypressdevelopmentcorp.com/s/Image.asp?i=maps/BR09-01.gif>

Initial plotting of the new zone indicates that the structure is very likely the direct southern extension of the main controlling structure of Goldcorp's Bruce Channel gold deposit. The new zone is wide open in all directions on the Broulan Reef property. The companies believe that significant potential remains untested on their property. This potential lies at vertical depths of +2300 metres on the Broulan Reef property. The north / south shear zone target is believed capable of hosting a resource similar to that now being developed on the adjoining Goldcorp property.

Management considers the Broulan Reef property as a prime location for a gold discovery with excellent geological formations already encountered to date and that further extensive exploration via diamond drilling is fully justified.

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.

Don Huston, President and CEO of Cypress Development Corp., provided much more information on the potential of the Broulan Reef gold project in a Smartstox interview available at <http://www.smartstox.com/interviews/cyp>.

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

January 13, 2010