FORM 51-102F3
Material Change Report

Item 1. **Name and Address of Company**

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Item 2. **Date of Material Change**

May 11, 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 **May 11, 2010.** The press release was issued in Vancouver, British Columbia.

Item 4. **Summary of Material Change**

Cypress & Skyharbour results confirm Bruce Channel gold deposit continuity onto Broulan Reef property in Red Lake, NW Ontario.

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

The Companies are pleased to announce that gold values have been intersected on Cypress' (80%), Skyharbour's (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 south of the Cochenour / Bruce Channel major gold deposit now being brought to the production stage by Goldcorp Inc.

Bruce Channel Red Lake, Ontario Map:
http://www.cypressdevelopmentcorp.com/s/Image.asp?i=photos/Bruce_Channel_Photo.gif

Gold values were intersected on strike and in the same structure that hosts the Bruce Channel gold deposit.

An 18 metre interval between 2809 metres and 2827 metres grading 1.62 grams per tonne gold and including 2.5 grams per tonne gold over 9 metres and 5.04 grams per tonne gold over 2 metres have been encountered in the recently completed BR09-02 mother hole. These values are typical of many zones intersected in the Bruce Channel gold deposit. They are likely within an envelope surrounding such a deposit and convincingly demonstrate continuity of the mineralized system on the Broulan Reef property with plenty of room for expansion.

The gold bearing zone was truncated by a 34 metre section of core containing a late mafic dike. A 1st wedge hole is now in progress to intersect the structure to the north and away from diking. The gold bearing zone occurs in the footwall of a remarkable structure known as the North-South Shear that hosts known gold mineralization in the Bruce Channel trend. The structure is at odds with the bulk of producing deposits in the area in that it strikes north-south and is dominantly a breccia and not a shear.

The structure is remarkable for several other reasons:

Continuity: so far over 1.5 kilometres in length

Consistent strike and dip (north-south strike and dipping 70 degrees to the west)
Width: commonly over 100 metres in true width

Mineralogy: primarily calcite, with minor iron carbonate veins, biotite, magnetite and quartz actinolite veins

Texture: pronounced breccia texture throughout

Don Huston, President stated: "Persistence has paid off for the companies on the Broulan Reef gold project in Red Lake. The results from this first successful deep hole confirm our belief that the Bruce Channel gold deposit does indeed show continuity onto the Broulan Reef property."

Broulan Reef Project History

The Bruce Channel property was purchased from Gold Eagle by Goldcorp in 2008 for $1.3 billion and is currently being prepared for development through the Cochenour mine shaft and a high speed tram to the main milling complex in Balmertown. The Bruce Channel gold deposit could host between 6 and 12 million ounces of gold at grades between .3 and .5 ounces per ton. These numbers make it a major gold find and a key to the future of the Red Lake gold camp. The size and grade of the world class Bruce Channel gold deposit figures prominently in the continued determination of Cypress & Skyharbour to diligently pursue exploration on their Broulan Reef property which immediately adjoins the Bruce Channel property to the south.

The Broulan Reef project got going from a standing start with the belief that the trend of the Bruce Channel gold deposit would extend onto the Broulan Reef property at some depth. With 95% of the Broulan Reef property covered by the shallow waters of the Bruce Channel and no outcropping of Balmer aged rocks, the initial deep drilling was based on the belief and hope that Balmer aged rock would exist below a sequence of sediments of Confederation age and that they could contain gold.

The presence of Balmer aged rock underlying the entire property was demonstrated early on. It was further established that not only did the target occur within Balmer aged rocks but that it was below a prominent shallow dipping thrust and was within the footwall of a North-South striking Shear structure.

Current Broulan Reef Project Work

Drilling from a position that could intersect this target setting was started in the summer of 2009 and has culminated with the current intercept. Numerous technical difficulties were successfully overcome in the process. Recent work has included a deep penetrating geophysical survey (Spartan) carried out by Quantec in the spring of 2010. This survey has confirmed major aspects of the geological model currently being used in targeting on the property. The survey also highlights several additional features that may have significant implications for future exploration.

Spartan Survey – View Looking North:
http://www.cypressdevelopmentcorp.com/i/maps/2010-05-11_NRM.jpg

Exploration of the Broulan Reef property by Cypress & Skyharbour is still in the early stages and the current assay results are highly encouraging as they occur within the first hole successfully completed across the well established, widely mineralized north-south shear zone. The gold intercept reported here proves that gold mineralization within a setting identical to the Bruce Channel gold deposit is present on the Broulan Reef property.

Continuing Exploration at Broulan Reef

Drilling has commenced with a wedge hole off the mineralized BR09-2 mother hole and is progressing rapidly toward the targeted footwall of the North-South Shear. This hole will provide an approximate 100 metre step-out to the north from the mineralization intersected in BR09-2. Other wedge holes off the current mother hole are planned to continue the initial exploration of the new mineralized zone. Other very high priority targets identified in the compiled Broulan Reef data are in line for drilling once initial drill exploration of the current portion of the North-South Shear has been completed.

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**

May 11, 2010