

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

CYPRESS DEVELOPMENT CORP.

Suite 1610 – 777 Dunsmuir Street,
Vancouver, B.C.
V7Y 1K4

Telephone: (604) 687-3376

Fax: (604) 687-3119

Item 2. Date of Material Change

February 3, 2016

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 **February 3, 2016**. The press release was issued in Vancouver, British Columbia.

Item 4. Summary of Material Change

Property Acquisition Approval.

Item 5. Full Description of Material Change

Vancouver, BC - Cypress Development Corp. (TSX-V: CYP) (OTCBB: CYDVF) (Frankfurt: C1Z1) (“Cypress” or the “Company”) is pleased to announce, further to its news release on January 25th, the TSX Venture Exchange has accepted for filing the Company’s Option Agreement to acquire a 100% interest in the 1280 acre Clayton Valley Lithium Brine Project located in Esmeralda County, in the state of Nevada, USA.

Cypress Clayton Valley Lithium Project, Nevada location map:

<http://www.cypressdevelopmentcorp.com/i/maps/CYP-Clayton-topo-satalite-small.jpg>

Cypress’ Clayton Valley Project is located on the south flank of “Angel Island” and immediately southeast of the Albemarle Silver Peak lithium brine mine. The acquired claims share their western boundary with placer claims controlled by Pure Energy Minerals. Pure Energy has identified a lithium resource at its Northern Resource Area (see Pure Energy Minerals news release July 28, 2015), that is located to the immediate west of Cypress newly established boundary.

Cypress Clayton Valley Lithium Project, Nevada claims map:

<http://www.cypressdevelopmentcorp.com/i/maps/Clayton-Test-Wells-Plan-Map.jpg>

Cypress’ highly prospective “Glory” and “Angel” claims are located within 0.5 miles (>1000m) south of current and past producing lithium brine wells belonging to the Albemarle Silver Peak Mine. Cypress’ Clayton Valley claims are located in an active area of surface hectorite clay

lithium mining and lithium exploration. Highways and electric power are in place and exploration resources needed are readily accessible.

The Albemarle Silver Peak Mine is the only operating brine based lithium mine in North America. The Silver Peak area is one of the oldest mining areas in Nevada having produced substantial amounts of silver, gold and other minerals. The Silver Peak Mine began operations in 1967 to mine lithium by low cost evaporation ponds and has produced lithium since then.

Cypress has reviewed the seismic data in the Pure Energy NI 43-101 technical report Titled “Inferred Resource Estimate for Lithium”, dated July 17, 2015. The data appears to indicate a very favorable lithium brine exploration target along the western and west central portions of Cypress’ property. Other first order targets exist on the property including extensive outcropping of altered green claystones and the presence of stockwork veining localized at paleo hot spring vents discovered during staking of the property. Cypress believes that additional lithium brines could be localized at the water table below the outcropping claystones and potentially also localized along structures cutting these units.

Initial, limited surface sampling by Cypress in January 2016 has returned very positive results with sample LMHill-3 returning assays of 490 ppm lithium (Li) and sample LMHill-4 returning 580 ppm lithium (Li). The samples also contained strongly elevated levels of magnesium, potassium, sodium, and strontium.

Cypress’ Clayton Valley Lithium Project is in an area of outcropping of hectorite claystones that quite possibly overlie brines at a shallow level. The core lands cover the immediate easterly extension of Pure Energy’s identified northern resource area.

The lithium brines being produced for almost 50 years at Silver Peak have come from the flanks of Angel and Goat Islands.

Clayton Valley is located within the Basin and Range Province in southern Nevada and is an internally drained, fault bounded, and closed basin. Basin filling strata compose the aquifer system which hosts and produces the lithium-rich brine. (Zampirro Report 2004).

Picture of Clayton Valley, Nevada:

<http://www.cypressdevelopmentcorp.com/i/maps/CYP-Clayton-pic-SW-Flank-of-Angel-Island-small.jpg>

Terms of the Option Agreement to purchase a 100% interest in the Clayton Valley Brine Project are;

Year 1: USD\$12,500 cash and 350,000 shares of Cypress

Year 2: USD\$25,000 cash and 250,000 shares of Cypress

Year 3: USD\$50,000 cash and 250,000 shares of Cypress

Year 4: USD\$75,000 cash and 250,000 shares of Cypress

The optionor will retain a net smelter return (NSR) of 3% with Cypress having the right to purchase 2% of the NSR for \$1 million. There is no work commitment with this Option Agreement.

Tesla Motors is driving the current lithium boom in Nevada with the construction of a Gigafactory, a large-scale lithium-ion battery facility outside of Sparks Nevada. Market speculations of the likely construction of additional large-scale lithium battery factories in the

region appears based on the potential of lithium batteries as all purposed energy storage units that are highly scalable.

Robert Marvin, P.Geo., CPG, Exploration Manager for Cypress Development Corp. is the Qualified Person as defined by National Instrument 43-101 and has approved of the technical information in this release.

On January 25th, Cypress announced a non-brokered private placement of up to 5,000,000 units at a price of \$0.05 per unit ("Unit") to raise gross proceeds of up to \$250,000. Each Unit will consists of one common share and one non-transferable share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase an additional common share for a period of five years at a price of \$0.055 per share from the closing date of the private placement.

A finder's fee of 7% in cash and 7% in non-transferable warrants ("Finder's Warrant") may be paid in connection with part of this private placement. Each Finder's Warrant will entitle the finder to purchase a common share of Cypress at a price of \$0.055 per share for a period of five years from the closing date of the private placement.

The Company intends to utilize the proceeds of this private placement for exploration on its mineral properties and for general working capital purposes.

The private placement is subject to TSX Venture Exchange acceptance.

The Private Placement announced December 11, 2015 will not be proceeding.

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 Huston
Phone: (604) 687-3376

Item 9. Date of Report

February 3, 2016.