

FORM 51-102F3
Material Change Report

Item 1. **Name and Address of Company**
Cypress Development Corp.
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Item 2. **Date of Material Change**
January 12, 2017

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 12, 2017**. The press release was issued in Vancouver, British Columbia.

Item 4. **Summary of Material Change**
Solubility Results

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 that the Company has received solubility study assay results from Cypress’ 2,700 acre Dean Lithium Brine/Claystone Project located in the heart of the Clayton Valley lithium exploration area of Esmeralda county, Nevada.

Cypress Clayton Valley Lithium Project, Nevada location map:

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

The Company's Dean Project is located adjacent to producing lithium brine wells belonging to the Albemarle Silver Peak mine on its west boundary, Pure Energy's resource area on its southwest boundary and Cypress' Glory Project, optioned to Pure Energy, on its southern boundary.

Highlights:

- Cypress completes solubility studies on 48 previously assayed Dean claystone samples;
- A deionized water leach process returns 36.15% Li recovery on average;
- A modified dilute acid leach process returns 94.72% Li recovery on average;
- Permit application made to BLM, Nevada for a series of drill holes into new Frontera Verda Zone;
- Cypress anticipates drilling to begin at the end of January.

September and October 2016 surface sampling on the Dean Project has revealed a 2 square kilometer area of strong lithium mineralization up to 3,700 ppm Li (0.82% Li₂O equivalent) in calcareous, volcanoclastic, claystones, mudstones and volcanic ash units. The mineralization is essentially identical to the acreage being jointly explored by Cypress and Pure Energy Minerals on Cypress’ Glory Project immediately to the south.

Dean sample locations and assay values map:

<http://www.cypressdevelopmentcorp.com/i/maps/Dean-Sample-Map-Nov16.jpg>

Cypress has now completed solubility studies with 48 previously assayed claystone samples from the Dean property. A modified dilute Aqua Regia (dilute acid) process (ME-MS41W) and a deionized water leach process (ME-MS03) has been carried out by ALS/Chemex lab in Reno, Nevada in order to provide Cypress with further data on the potential feasibility of a large-scale leach extraction method of lithium from the abundant mineralized claystone.

The additional assay procedures recently carried out on the samples by ALS/Chemex from the Dean property clearly show that the lithium in the uplifted exposed lake bed sediments is easily leached by a dilute acid solution and deionized water process.

Dean Lithium Solubility Study Assay Results:

Sample	*ME- ICP61 Li ppm	*ME- MS41W Li ppm	*ME- MS03 Li ppm	% Li Recovery with Dilute Aqua Regia	% Li Recovery with Deionized Water
Dean-1	1010	1010	105	100.00%	10.40%
Dean-2	1770	1720	1100	97.18%	62.15%
Dean-3	1480	1500	302	101.35%	20.41%
Dean-4	1250	1240	122	99.20%	9.76%
Dean-5	930	910	164	97.85%	17.63%
Dean-6	1130	1070	124	94.69%	10.97%
Dean-7	1560	1520	832	97.44%	53.33%
Dean-8	1720	1640	854	95.35%	49.65%
Dean-9	2090	1990	1100	95.22%	52.63%
Dean-10	830	790	195	95.18%	23.49%
Dean-22	790	750	239	94.94%	30.25%
Dean-24	2940	2780	1100	94.56%	37.41%
Dean-25	950	880	528	92.63%	55.58%
Dean-26	640	560	188	87.50%	29.38%
Dean-27	900	880	125	97.78%	13.83%
Dean-28	1350	1340	247	99.26%	18.30%
Dean-29	960	920	190	95.83%	19.74%
Dean-30	510	480	103	94.12%	20.20%
Dean-31	350	348	111	99.43%	31.71%
Dean-32	960	940	70	97.92%	7.28%
Dean-33	1440	1420	279	98.61%	19.38%
Dean-41	1100	1020	826	92.73%	75.09%
Dean-42	1030	970	634	94.17%	61.55%
Dean-43	1000	920	237	92.00%	23.70%
Dean-44	1890	1840	590	97.35%	31.22%
Dean-45	360	298	54	82.78%	15.11%
Dean-46	650	590	510	90.77%	78.46%
Dean-47	910	850	487	93.41%	53.52%
Dean-48	670	550	229	82.09%	34.18%
Dean-49	1100	1040	104	94.55%	9.41%

Dean-50	1250	1120	865	89.60%	69.20%
Dean-51	1020	960	155	94.12%	15.15%
Dean-52	1380	1400	1100	101.45%	79.71%
Dean-53	1200	1140	978	95.00%	81.50%
RKCV-00810	1480	1390	553	93.92%	37.36%
RKCV-00811	1320	1270	273	96.21%	20.68%
RKCV-00812	1750	1820	1100	104.00%	62.86%
RKCV-00813	2130	2040	1100	95.77%	51.64%
RKCV-00814	1000	980	298	98.00%	29.80%
RKCV-00815	390	369	108.5	94.62%	27.82%
RKCV-00816	780	690	280	88.46%	35.90%
RKCV-00817	780	730	278	93.59%	35.64%
RKCV-00818	1640	1560	790	95.12%	48.17%
RKCV-00819	1450	1400	618	96.55%	42.62%
RKCV-00820	800	760	279	95.00%	34.88%
RKCV-00821	1150	1050	567	91.30%	49.30%
RKCV-00822	810	780	157	96.30%	19.38%
RKCV-00823	570	500	196	87.72%	34.39%
				94.72% AV	36.15% AV

* ME-ICP61 is a 4 acid digestion that will extract lithium from any mineral including silicates

* ME-MS41W is a highly dilute version of Aqua Regia that will dissolve carbonate minerals

* ME-MS03 is a leach method that uses deionized water to extract lithium in the sample

* Li = Lithium Metal

* ppm = parts per million

* AV = Average

Several first order drill targets have been defined on the Dean property that include extensive outcropping of altered green evaporate-rich volcanoclastic claystone / mudstone exposures known as the Frontera Verde Zone. The Frontera Verde Zone covers an area of greater than 2 square kilometers. The average lithium grade of the Frontera Verde Zone is greater than 1500 ppm Li (>0.32% Li₂O).

Outcropping lithium-rich mudstones at Dean Project:

<http://www.cypressdevelopmentcorp.com/i/maps/Dean-Chip-Channel-Samples-Far-South.jpg>

Donald Huston, President Cypress Development, stated *"the results generated from the most recent assays consisting of a highly dilute weak Aqua Regia solution and a deionized water solution on the Dean Project samples has returned very encouraging results relating to the lithium recovery from the claystone that is known to exist on the majority of the Dean Project in Clayton Valley, Nevada. It is evident that the use of differing solutions in the assay procedure, as noted above, that the abundant lithium-rich claystone could be amenable to an extraction methodology that could be cost effective with a very high recovery of lithium content expected from processing. Cypress' management are very encouraged with the progress seen to date and will continue with work on potential lithium extraction methods from the claystone"*.

All Data compiled by Cypress to date indicates that a readily soluble non-hectorite mineral form of lithium-rich claystone exists at surface over wide areas of Cypress' Glory and Dean Clayton Valley projects.

Cypress has made application to the BLM, Nevada for an area of disturbance Permit to allow for a series of drill holes into the new Frontera Verda Zone on the Dean Project. The Company anticipates mobilizing a drill crew into the Clayton Valley by the end of January.

Quality Control and Quality Assurance:

All samples were submitted to ALS Chemex Labs in Reno, Nevada for analysis using a modified weak Aqua Regia (dilute acid) process (ME-MS41W) and a deionized water leach process (ME-MS03). Blind sample blanks were inserted into the sample sequences at a rate of approximately 1 per 20 samples.

Robert Marvin, PGeo, 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.

About Cypress Development Corp.:

Cypress development Corp is a publicly traded lithium and zinc exploration company that continues to acquire and develop potentially viable mineral projects in the State of Nevada, U.S.A.

Cypress is very active in Clayton Valley, Nevada with its team committed to systematically exploring its properties for both a lithium-brine resource and expanding exploration relating to the potential for a lithium resource that exists within the large area of non-hectorite “claystones” discovered at surface that has seen recent high lithium assays recovered from these same “claystones”.

Cypress Development Corp. has approx. 33.4 million shares issued and outstanding.

To find out more about Cypress Development Corp. (TSX-V: [CYP](http://www.cypressdevelopmentcorp.com)), visit our website at www.cypressdevelopmentcorp.com.

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, President
Phone: (604) 687-3376

**Item 9. Date of Report
January 12, 2017**