

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Reporting Issuer:

COASTAL CONTACTS INC.
#320 - 2985 Virtual Way
Vancouver, B.C., V5M 4X7

2. Date of Material Change:

The material changes described in this report occurred on January 18, 2006.

3. Press Release:

On January 18, 2006, Coastal Contacts Inc. (the "Company") issued a press release through the facilities of Canada NewsWire. A copy of the press release announcing the material change is set out at Appendix "A" to this report.

4. Summary of Material Change:

On January 18, 2006, the Company announced that it agreed to sell, on an underwritten private placement basis, 8,000,000 special warrants at a price of \$2.50 per special warrant for gross proceeds of \$20,000,000. The private placement is being underwritten by Versant Partners Inc., as lead, and includes Orion Securities Inc. and Octagon Capital Corporation. The syndicate has an option to acquire up to an additional 1,000,000 special warrants for additional gross proceeds of up to \$2,500,000. This transaction is subject to certain conditions precedent, including regulatory and stock exchange approvals and definitive documentation being executed.

5. Full Description of Material Change:

See attached press releases at Appendix "A" to this report.

6. Reliance on Confidential Filing Provisions:

Not applicable.

7. Omitted Information:

Not applicable.

8. Senior Officers:

The following senior officer of the Company is knowledgeable about the material change and this report and may be contacted by any of the securities commissions respecting the material change:

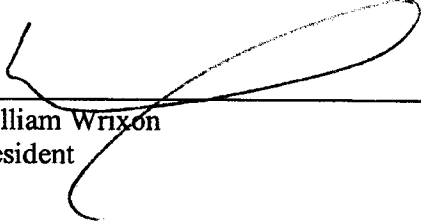
William Wrixon
President, Coastal Contacts Inc.
Telephone: (604) 669-1555, Extension 251

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia this 18th day of January, 2006.

COASTAL CONTACTS INC.



William Wrixon
President

APPENDIX "A"

FOR IMMEDIATE RELEASE

TSX Venture Symbol: COA



Coastal Contacts Inc.

NOT FOR DISSEMINATION IN THE UNITED STATES

COASTAL CONTACTS ANNOUNCES \$20.0 MILLION BOUGHT DEAL FINANCING

TSX Venture Symbol: COA

Vancouver, British Columbia – January 18, 2006 - Coastal Contacts Inc. (TSX.V: COA) is pleased to announce that the Corporation has agreed to sell, on a bought deal underwritten basis, 8,000,000 special warrants by way of private placement, at a price of \$2.50 per special warrant, for gross proceeds of \$20.0 million to a syndicate of underwriters led by Versant Partners Inc., including Orion Securities Inc. and Octagon Capital Corporation. In addition, the syndicate has an option, exercisable until 24 hours prior to the closing date, to acquire up to an additional 1.0 million special warrants for additional gross proceeds of \$2.5 million.

Closing of the offering is anticipated to occur on or about January 31, 2006 and is subject to receipt of applicable regulatory approval including approval of the TSX Venture Exchange. The special warrants and common shares issuable upon exercise of the special warrants are subject to resale restrictions for a period of four months from the closing date.

Each special warrant is exercisable to acquire one common share of the Corporation for no additional consideration. The special warrants shall be exercisable by the holders thereof at any time and will be automatically exercised at 5:00 p.m. EST on the earlier of the following dates: (i) the fifth business day after a receipt is issued by the last of the securities regulatory authorities in each of the jurisdictions in Canada in which purchasers of the special warrants are resident for a final prospectus qualifying the common shares to be issued upon the exercise of the special warrants; and (ii) the date which is four months and one day after the closing date. The net proceeds from the offering will be used to accelerate its international mergers and acquisition strategy, increase sales and marketing initiatives, and improve working capital to fund growth in new distribution channels.

The Corporation will use reasonable commercial efforts to file a prospectus as soon as possible following closing of the offering to qualify the issuance of the common shares issuable upon exercise of the special warrants and to use its reasonable commercial efforts to obtain a receipt for a final prospectus from each of the securities regulators in the provinces in which purchasers are resident.

THE SPECIAL WARRANTS AND COMMON SHARES ISSUABLE UPON EXERCISE OF THE SPECIAL WARRANTS WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS ABSENT REGISTRATION OR AN APPLICABLE EXEMPTION FROM U.S. REGISTRATION REQUIREMENTS.

About Coastal Contacts:

With operations and distribution hubs in both North America and Europe, Coastal Contacts is one of the largest and fastest growing direct marketers of contact lenses in the world. The Corporation's large volume business combined with its cost effective global operations enable it to offer replacement contact lenses to customers worldwide at reduced prices, delivered quickly with strong customer service follow-

up. Coastal's direct to consumer model and single product focus combine to create the distinct competitive advantage of a more efficient, customer-focused model for world-wide contact lens distribution.

For Further Information:

Roger Hardy
Chairman and Chief Executive Officer
Coastal Contacts Inc.
604-669-1555, Ext. 224
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Bill Wrixon
President
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This news release contains certain forward-looking statements that reflect the current views and/or expectations of Coastal Contacts Inc. with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly.

Neither the TSX Venture Exchange nor any other regulatory body has reviewed and therefore does not accept responsibility for the adequacy or accuracy of this release.