Form 51–102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Sila Industrial Group Ltd. (the "Company")
400 - 999 West Hastings Street
Vancouver, B.C.
V6C 2W2

Item 2. Date of Material Change

May 27, 2011.

Item 3. News Release

The Company disseminated a news release dated May 27, 2011.

Item 4. Summary of Material Change

The Company closed a brokered private placement of 11,500,000 units at $0.40 per unit for total gross proceeds to the Company of $4,600,000.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company closed a brokered private placement (the "Offering"). Canaccord Genuity Corp. (the "Agent") exercised its overallotment option and placed a total of 11,500,000 units at $0.40 per unit for total gross proceeds to the Company of $4,600,000. Each unit consists of one common share of the Company and one half of one transferable common share purchase warrant. Each whole warrant will be exercisable to purchase one common share of the Company for a period of 24 months from closing at an exercise price of $0.55.

The Agent received a cash fee on the sale equal to 7% of the gross proceeds raised and that number of broker warrants ("Broker Warrants") equal to 7% of the Units sold under the Offering. Each Broker Warrant is exercisable to purchase one common share of the Company at a price of $0.55 at any time up to 24 months after closing. In addition, the Agent received a corporate finance fee of 100,000 Units.

The proceeds raised under the Offering will be used for exploration and development of the Company's mineral properties in British Columbia and Newfoundland, and for general working capital purposes.

The shares and warrants are subject to a four-month hold period, expiring September 28, 2011, during which time the shares may not be traded.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51–102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

Steve Vanry
Chief Financial Officer & Corporate Secretary
Telephone: (604) 891 – 3260
E-mail: steve@vanrycap.com

Item 9. Date of Report

DATED at Vancouver, British Columbia, this 2nd day of June, 2011.