51-102F3
MATERIAL CHANGE
REPORT

Item 1 Name and Address of Company

Banks Island Gold Ltd. (the "Issuer")
300 – 1055 West Hastings Street
Vancouver, British Columbia, V6E 2E9

Item 2 Date of Material Change

January 5, 2015

Item 3 News Release

The Issuer disseminated a press release dated January 5, 2015 through Stockwatch and Marketwire.

Item 4 Summary of Material Change

The Issuer announced that it has closed the second tranche of its previously announced non-brokered private placement offering (the "Offering").

In connection with the closing of the second tranche of the Offering, the Corporation has issued 1,600,000 Flow Through Shares and 333,000 Common Share Units at a price of $0.15 per Common Share Unit, for gross consideration of $369,950.00, less previously announced finder's fees.

Each Common Share Unit consists of one Common Share and one half (1/2) of a non-transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one Common Share at a price of $0.30 per Common Share for a period of eighteen (18) months following the closing of the Offering. Warrants will NOT be listed for trading.

The Company paid certain finders, a fee equal to 8% of the gross proceeds received by the Company from the sale of certain of the FT Shares.

The Company intends to use the net proceeds of the Offering for continued exploration and development activities on its Yellow Giant Gold Property located on Banks Island in British Columbia.

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or under any state securities laws, and may not be offered or sold, directly or indirectly, or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or a solicitation to buy such securities in the United States.

The Company is a mining company focused on gold production, exploration, and development of economically viable mineral resources. The Company's mineral property is located in British Columbia. For more information, please refer to the Company's website at www.banksislandgold.com

Item 5 Full Description of Material Change

"Refer to Summary of Material Change."

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

To obtain further information contact Benjamin W. Mossman, the Chief Executive Officer of the Issuer, at 604-245-0066.

Item 9 Date of Report

January 6, 2015