

# Banks Island Gold Ltd. Suspends Operations at Yellow Giant

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VANCOUVER, August 4, 2015 - [Banks Island Gold Ltd.](#) (TSX VENTURE:BOZ) (the "Company") updates status at the Company's 100% owned Yellow Giant Gold Mine ("Yellow Giant"), located on Banks Island, British Columbia and provides information for the quarter March 1<sup>st</sup> to May 31, 2015.

## Mining Operations Suspended:

The Company announces it has suspended all operations at the Yellow Giant Mine as at July 31<sup>st</sup> 2015 and will put the mine into care and maintenance until permitting and regulatory issues at the project are resolved and the Company has sufficient working capital to re-commence operations.

The Yellow Giant Mine provided direct employment for over 100 people and indirect employment for many more, whose families depend on the mine operating. Further information on suspension of operations will be released when available.

Quarterly Financial Reporting March 1 to May 31, 2015:

For the 1st quarter of the 2016 fiscal year (period from March 1 to May 31, 2015), the Company reported:

- 3,837 payable gold equivalent ounces ("Aueq") sold at an average realized price of \$1,457/oz. Gold equivalent is calculated by converting payable silver ounces at a ratio of 1:65 to payable gold ounces, as seen in the table below:

| Month          | Contained in Concentrate |             | Estimated Production Payable from Smelter** | Average Estimated Production |
|----------------|--------------------------|-------------|---|------------------------------|
|                | Gold (oz)                | Silver (oz) | Gold eq* (oz)                               | Gold eq* (oz per day)        |
| Mar 1-31, 2015 | 1,375                    | 4,838       | 1,304                                       | 42                           |
| Apr 1-30, 2015 | 1,540                    | 5,382       | 1,461                                       | 49                           |
| May 1-31, 2015 | 1,909                    | 3,410       | 1,765                                       | 57                           |
| Jun 1-30, 2015 | 2,021                    | 3,200       | 1,863                                       | 62                           |
| Total          | 6,845                    | 16,830      | 6,393                                       | 52                           |

- Revenue, net of treatment of refining charges, from the sale of concentrates for the three months ended May 31, 2015 of \$4.8M, and cash flows from operating activities of \$1.3M
- Loss from mine operations for the three months ended May 31, 2015 of \$537K, loss from mine operations adjusted for non-cash amounts for depreciation, depletion and share-based compensation meant the Company had adjusted cash earnings from mine operations of \$930K.
- The Company executed a definitive metals purchase agreement with SilverStream SEZC ("SilverStream") for proceeds of US\$1.5M, less transaction costs.
- As a result of the subsequent events described in Note 22 of the Company's condensed interim financial statements for the three months ended May 31, 2015, resulting production delays, uncertain timelines for successful permit amendments and current working capital deficiency, the Company needs to seek immediate financing. Inability to do so at terms acceptable to the Company and in a timely manner would cast significant doubt on the Company's ability to continue as a going concern. In the interim, the Company has commenced steps to put the project on care and maintenance.

The Company is not basing its production decision on a feasibility study of mineral reserves with demonstrated economic and technical viability. [Banks Island Gold Ltd.](#) Has decided to put the Property into production without first establishing mineral reserves supported by a NI 43-101 compliant technical report and feasibility study. The Company cautions readers that such production may not be economically feasible and historically such projects have a much higher risk of economic or technical failure.

Benjamin Mossman, P.Eng. is the qualified person who reviewed and approved the contents of this news

release.

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](http://www.banksislandgold.com).

ON BEHALF OF THE BOARD OF DIRECTORS

Benjamin W. Mossman, P.Eng.  
President, Director & Chief Executive Officer

## Contact

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