

Banks Island Gold Limited: Options Homestake Ridge Gold Project

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VANCOUVER, Nov 19, 2015 - [Banks Island Gold Ltd.](#) (TSX VENTURE:BOZ) (the "Company") is pleased to report that the Company and [Homestake Resource Corp.](#) (TSX VENTURE:HSR) ("Homestake") have executed a letter of intent dated November 17, 2015 (the "Agreement") pursuant to which the Company can earn a 50% interest in the Homestake Ridge Property.

SUMMARY

- Option to earn 50% interest in Homestake Ridge Property.
- Advanced Gold project within barging distance of Yellow Giant Project.
- Mineral resource of 141,000 oz Au_{eq} Indicated and 1,226,000 Au_{eq} Inferred.
- Numerous high grade intercepts within mineral resources.
- Includes South Reef Inferred resource of 332,000 tonnes @ 13.0gpt Au = 140,000 oz Au_{eq}

OPTION AGREEMENT

The following are the key terms of the Agreement:

- Banks Island Gold may earn a 50% interest in the Homestake Ridge Property over 3 years.
- Banks Island Gold is project operator during earn-in period.
- Banks Island Gold to provide an initial cash payment of \$500,000 on January 31st, 2016.
- Work commitment of \$2,000,000 in 2016.
- Completion of a NI43-101 Preliminary Economic Assessment by September 30th, 2018.
- Total Cash Payments of \$6,500,000 and Total Work Commitments of \$10,000,000 by December 31st, 2018 (see Table 1 below).
- Parties will form a joint venture upon exercise of the option by Banks Island Gold.
- Closing is subject to exchange approval.

Table 1: Option Agreement Schedule

	<i>Cash - \$</i>	<i>Work Commitment - \$</i>
On January 31, 2016	500,000	-
By December 31, 2016	-	2,000,000
On January 31, 2017	500,000	-
By December 31, 2017	-	3,000,000
On January 31, 2018	500,000	-
By December 31, 2018	-	5,000,000
On December 31, 2018	5,000,000	-
TOTAL	6,500,000	10,000,000

DIRECTOR RESIGNATION

The Company announces the resignation of Mr. Larry Page as Director of the Company, effective immediately. Consequent upon the Option Agreement between Banks Island Gold and Homestake Resources, it was decided that a conflict of interest was apparent as Mr. Page currently serves as a Director of both companies. The Company would like to thank Mr. Page for his service as a Director and look forward to working with him in advancing the Homestake Ridge Project.

HOMESTAKE RIDGE PROJECT

- Combined NI43-101 Indicated mineral resources of 141,000ozs Au_{eq} and Inferred mineral resources of 1,226,000ozs Au_{eq} (see Table 3).
- Includes South Reef deposit with NI43-101 Inferred mineral resource of 332,000 tonnes @ 13.0 gpt Au for a total of 140,000ozs Au_{eq}.(see Table3).
- Numerous high grade intercepts requiring follow up definition drilling (See Table 2)
- The Homestake mineralization is amenable to similar processing as the Yellow Giant Mine with production of gravity and flotation concentrates for sale offsite.
- Access road from Alice Arm to within 5km of the Homestake Ridge Project.
- Alice Arm is 320 km. by barge to the Yellow Giant Gold Property on Banks Island.
- Expanded exploration potential for the discovery of new high-grade mineral deposits at both the Yellow Giant and Homestake Ridge Projects and surrounding areas.

Table 2: Drill Highlights at Homestake Ridge

Hole	From	To	Interval	Est.	True	Au	Ag	AuEq
	m	m	m	m	Thickness	g/t	g/t	g/t
MAIN HOMESTAKE ZONE								
HR08-87	65	138	73	53		21.0	12	21.2
HR08-99	101	103	2	7		24.9	1043	40.9
HR06-24	121	136	15	10		20.3	124	22.2
HR08-118	92	119	28	18		12.0	10	12.2
HR08-120	108	118	11	8		25.9	34	26.4
HR06-27	193	202	9	5		25.3	40	25.9
HR09-152	105	108	3	3		36.3	51	37.1
HR05-17	98	107	9	8		10.6	22	10.9
HR06-50	34	37	7	5		14.3	39	14.9
HR06-30	151	155	5	5		10.4	14	10.6
HOMESTAKE SILVER ZONE								
HR09-161	307	313	6	5		25.9	1358	46.8
HR09-165	417	422	5	4		54.2	14	54.4
HR09-146	210	215	5	4		10.6	1690	36.6
HR11-228	332	338	6	4		3.4	1024	19.2
HR10-198	319	323	5	4		11.8	11	12.0
HR09-156	238	241	3	2		7.0	835	19.8
HR09-137	171	176	5	4		6.9	194	9.9

CORPORATE STRATEGY

The addition of the Homestake Ridge mineral resources to the Yellow Giant operations could significantly extend life-of-operations at the Yellow Giant production facilities.

The general corporate strategy, subsequent to completion of Option Agreement:

1. Recomence operations at Yellow Giant to establish positive cashflow from operations.
2. Evaluate the use of pre-concentration and complete a definition drilling program at Homestake Ridge to define high grade resources with potential for economic extraction.
3. Commence environmental baseline work and permitting at Homestake Ridge.
4. Complete road access from Homestake Ridge to Alice Arm and establish a barge landing facility near Alice Arm.
5. Permit and construct an underground mining operation at Homestake Ridge, beginning with high-grade portions of the Homestake deposits.
6. Transport mined material from Homestake Ridge to Alice Arm overland and then via barge to Banks Island for processing at the Yellow Giant facility.
7. Continue exploration efforts for the identification and development of new deposits at Homestake Ridge and Yellow Giant.

Benjamin Mossman, President and CEO of Banks Island, commented, "The Homestake Ridge Property presents a unique opportunity to bring a significant deposit into production through the use of our existing process facilities, equipment, and staff at Yellow Giant. The Company plans to aggressively develop the Homestake project to its full potential."

Joseph Kizis, President of Homestake, commented, "We are pleased to have Banks Island as an experience mining partner to develop our discoveries at Homestake Ridge into near-term production. We also feel there remains great potential for new discoveries and expansions of existing discoveries, which will insure a long mine life."

MINERAL RESOURCES

Homestake Resources has completed a NI43-101 technical report calculating mineral resources at Homestake Ridge. The Report, dated June 7, 2013, entitled "NI 43-101 Technical Report, an Updated Mineral Resource Estimate, Homestake Ridge Project, Kitsault, British Columbia" was prepared by Robert W.J. Macdonald, P.Geo. and David W. Rennie P.Eng following the guidelines of NI 43-101 and NI 43-101F. Table 3 displays the current mineral resources at Homestake Ridge, effective as at December 31, 2012.

To view "Table 3: Summary of Mineral Resources at Homestake Ridge" please visit the following link:
http://www.homestakeresource.com/useruploads/files/nr-05-13_pic_2.jpg.

Notes:

1. Mineral Resources were constrained using a 2g/t AuEq grade shell.
2. CIM definitions were followed for Mineral Resources.
3. Mineral Resources are estimated using an average long-term gold price of US\$1,500 per ounce Au, US\$27 per ounce Ag, and US\$3.50 per pound Cu, with an exchange rate of C\$1.00=US\$1.00.
4. NSR and Gold equivalence were calculated using Au, Ag and Cu metallurgical recoveries of 92% Au, 88% Ag and 88% Cu in blocks where Cu% > 0.1%; and where calculated using just Au and Ag recoveries in blocks with <0.1% Cu

To the best of the issuer's knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources inaccurate or misleading.

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 NI43-101 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.

ON BEHALF OF THE BOARD OF DIRECTORS

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

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This press release contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and includes statement regarding the timing for completion of the grinding and flotation circuits, its effect on gold recovery, grade and average payable gold, as well as any other information that addresses activities, events or developments that the Company believes, expects or

anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include but are not limited to: risks related to the exploration and potential development of the Company's project, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold, as well as those factors discussed in the sections relating to risk factors of the Company Annual Information Form dated February 22, 2013 filed on SEDAR.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

Contact

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