MIDNIGHT SUN MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

As at November 27, 2017

Introduction

The following management's discussion and analysis ("MD&A") of Midnight Sun Mining Corp. has been prepared as of November 27, 2017. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements ("Financial Statements") of Midnight Sun Mining Corp. and the notes thereto for the three-month and nine-month periods ended September 30, 2017, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. All figures are expressed in Canadian dollars unless otherwise indicated.

Management is responsible for the preparation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

Description of Business

Midnight Sun Mining Corp. (the "Company" or "Midnight Sun") was incorporated on April 11, 2007 pursuant to the Business Corporations Act of British Columbia and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4. On May 12, 2010, the Company completed a Qualifying Transaction. The Company's principal business activity is acquiring, exploring and evaluating mineral properties and joint venturing or developing these properties further or disposing of them when the evaluation is completed. At September 30, 2017, the Company was in the exploration stage of activity on its optioned exploration permit licenses in Zambia, and the Financial Statements include the accounts of its subsidiary Midnight Sun Mining Zambia Limited ("MSM Zambia"), a company incorporated on October 29, 2013 under the laws of Zambia.

Financial Highlights for the Nine Months Ended September 30, 2017

- On September 30, 2017, the Company reported total assets of $7,801,107, current assets of $34,836, and current liabilities of $1,558,073.

- The Company received $404,392 and issued 1,934,460 common shares upon the exercise of 1,584,460 warrants priced at $0.20 and 350,000 stock options priced at $0.25.

Corporate Highlights for the Nine Months Ended September 30, 2017

- On January 12, 2017, Midnight Sun released the results of a drill program conducted on the Solwezi licenses during the fourth quarter of 2016. A total of 1,917 metres of HQ/NQ core was drilled in 15 holes and 2,581 metres was drilled in 95 shallow Air Core holes. Significant mineralization was encountered in several holes on the Mitu and Dumbwa Central targets.

- On February 10, 2017, the Company announced a geophysical program at the Mitu target. The program was designed to map the strike and depth extents of the host rock of ore shale type mineralization identified by core drilling.

- In early May 2017, the Company commenced diamond drilling on the Mitu copper-cobalt discovery, and on July 4, 2017, Midnight Sun reported initial results. The drill program was designed to expand and better define the previously identified ore-shale type copper-cobalt mineralization at Mitu and to confirm the correlation between a conductive anomaly, identified in the geophysical program, and copper-cobalt mineralization. The Company contracted Blu Rock Mining Services Ltd. to conduct the drill program.

- On August 21, 2017, the Company appointed Mr. Brett Richards as Chief Executive Officer, President and director. Mr. Richards is a seasoned senior executive with significant recent experience with advanced exploration, development and operating stage projects in Africa. Midnight Sun's previous CEO and President assumed the position of Senior Vice President, Exploration.

Corporate Highlights Subsequent to September 30, 2017

- On October 23 and subsequently on November 6, 2017 the Company provided updates on the status of Exploration License 12124-HQ-LEL. The Exploration License has been renewed until December 23, 2018 with further three-year renewal available.

- On November 27, 2017, Midnight Sun closed a non-brokered private placement of 9,002,708 units at a price of $0.30 per unit for gross proceeds of $2,700,812. Each unit consisted of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of twelve months from the closing of the offering at an exercise price of $0.45.

- The Company received $386,250 and issued 1,931,250 common shares upon the exercise of 1,931,250 warrants priced at $0.20.

Exploration and Evaluation Assets

On July 30, 2013, the Company, entered into an option agreement (the "Option Agreement") with Kam Chuen Resource Holdings Ltd. ("Kam Chuen"), to earn a 60% interest in two mineral exploration licenses located near Solwezi, Zambia, 14039-HQ-LPL and 12124-HQ-LPL (the "Solwezi Licenses"). The TSXV approved the Option Agreement on December 6, 2013.

The Option Agreement was amended effective April 7, 2015 and July 12, 2016. The following terms reflect the amended Option Agreement:

a) Issue a total of 15,333,333 common shares to Kam Chuen with 1,333,333 shares issued upon TSXV acceptance (issued February 14, 2014; valued at $186,667) and issue 14,000,000 shares on July 31, 2016 (issued February 10, 2017; valued at $3,920,00); and

b) Incur a total of $3,666,667 (incurred) in Expenditures on the mineral exploration permit licenses by December 6, 2018.

The Company believes it has fulfilled all requirements to earn the 60% interest in the Solwezi Licenses. Under the terms of the Option Agreement upon earning the 60% interest Kam Chuen and Midnight Sun will enter into a joint venture agreement governing the further exploration and development of the Solwezi Licenses, and Kam Chuen will transfer 60% ownership interest in the Solwezi Licenses to the Company. The Company and Kam Chuen have entered initiated discussions on the final form of the joint venture.

After earning a 60% interest and entering into a joint venture agreement with Kam Chuen, Midnight Sun has an exclusive right to purchase an additional 20% interest in the Solwezi Licenses for a period of 90 days.

The Solwezi Licenses, which cover a total of 506 square kilometres, are located in the Zambian Copperbelt approximately 15 kilometres from the producing Kinsanshi copper/gold mine and roughly 450 kilometres northwest of the Zambian capital of Lusaka.

Mineral exploration licenses 14039-HQ-LPL and 12124-HQ-LPL were issued by the Republic of Zambia, in accordance with the Mines and Minerals Development Act, 2008, and administered by the Zambian Ministry of Mines and Energy and Water Development. The mineral exploration licenses once granted, were valid for an initial period of two years with the option to be renewed for an additional two-year term, with a total maximum period not exceeding seven years.

On February 19, 2015, the Company received the Zambian Ministry of Mines approval for the renewal of Prospecting License 14039-HQ-LPL for an additional two years until March 24, 2017. This was the second two-year renewal for Prospecting License 14039-HQ-LPL. On September 11, 2016, an application was submitted for the third and final renewal for Prospecting License 14039-HQ-LPL. On March 1, 2017, the Acting Chief Registrar of Mining Rights issued a new license 21509-HQ-LEL to replace 14039-HQ-LPL. This new license covers the same ground as the previous license. License 21509-HQ-LEL will be in effect for a period of 4 years with the option for future renewals providing the license is maintained in accordance with the contained terms and the Mines and Mineral Development Act, 2015.

On February 17, 2016, the Company and Kam Chuen applied for the second two-year renewal for Prospecting License 12124-HQ-LPL. Subsequently, on October 25, 2016 notice was received by Kam Chuen the renewal had been rejected based on a failure to pay area charges, non-submission of a Pegging Certificate and inadequacies in the renewal submission. The Company and Kam Chuen contested the renewal rejection and provided proof of payment of area charges, provided a Pegging Certificate and corrected the minor deficiency in the renewal submission. On November 3, 2017, the Zambian Mining Cadastre issued a renewal of Prospecting License 12124-HQ-LPL as Large-Scale Exploration License 12124-HQ-LEL with an expiration date of December 23, 2018 with the option for a final 3-year renewal prior to that date in accordance with the Mines and Mineral Development Act, 2015.

Exploration Property Expenditures

As at September 30, 2017, the Company had incurred the following expenditures on the Solwezi Licenses:

Site and project expenditures	31-Dec-16	Additions	30-Sept-17
Acquisition costs	$ 216,678	$ 3,920,000	$ **4,136,678**
Assays	124,701	30,573	**155,274**
Diamond drilling	1,044,780	1,512,753	**2,557,533**
Field expenses	166,587	178,254	**344,841**
General & administration	1,726	2,197	**3,923**
Geological consulting	260,484	123,028	**383,512**
Travel and accommodation	117,953	66,557	**184,510**
Total operations funded	**$** 1,932,909	$ 5,833,362	**7,766,271**

The following table presents the Company's expenditures relating to mineral properties on a property-by-property basis for the two most recent financial years.

	Solwezi	Total
Balance, December 31, 2014	**$ 923,968**	**$ 923,968**
Acquisition costs	12,528	12,528
Exploration expenditures	185,121	185,121
Balance, December 31, 2015	**$ 1,121,617**	**$ 1,121,617**
Acquisition costs	(8,671)	(8,671)
Exploration expenditures	819,963	819,963
Balance, December 31, 2016	**$ 1,932,909**	**$ 1,932,909**
Acquisition costs	3,920,000	3,920,000
Exploration expenditures	1,913,362	1,913,362
Balance, September 30, 2017	**$ 7,776,271**	**$ 7,776,271**

Discussion of Operations

Since optioning the Solwezi Licenses, Midnight Sun has reviewed all available data generated by the optionor and previous operators. The Company has directly carried out the following activities:

- Geochemical surveying — 5,928 soil samples
- Geophysical surveying — 43.7 line-kilometres NSAMT
- Air Core Drilling — 24,215 meters in 501 holes
- Reverse circulation — 1,276 meters in 15 holes
- Diamond drilling — 6,664 meters in 39 holes
- Mineralogy and Metallurgical Studies — in progress

The two main types of deposits being targeted by exploration on the Solwezi Licenses are; Stratiform-type deposits, a common model for many copper deposits within the Zambian Copperbelt, and Hydrothermal-type copper mineralization as found at the nearby Kansanshi Mine.

To date, the Company has identified four significant exploration targets on the Solwezi Licences:

- *The 22 Zone* – the initial discovery and drill target on the Solwezi Licenses is a near surface oxide deposit with deep sulphide potential. The target has had limited shallow drill testing with a best intercept returning 5.71% copper over 14.2 metres near surface.

- *Mitu* – an ore shale hosted copper-cobalt-nickel-gold target with significant size potential. This area will continue to be the immediate focus of exploration work to follow up on geophysical programs conducted during 2016 and 2017 and limited drilling.

- *Dumbwa* – initial drilling on a 14-kilometre long soil anomaly has produced multiple copper-cobalt intercepts in the near surface oxides.

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- *Kifumbwe* – a large nickel soil anomaly covering more than 6 kilometres of strike has been identified.

Company management believe the identified target areas have excellent exploration potential. For the immediate future the Company plans to focus its exploration efforts on the Mitu target, where in October 2016 "ore shale style" base metal mineralization was discovered on the flank of the Solwezi Dome. Ore shale mineralization is the dominant type of copper-cobalt-nickel deposition in the Zambia-Congo Copperbelt, the largest copper producing area in the world. Mineralization associated with the shale units generally forms in physical "traps" between the contact of the Upper and Lower Roan geological units. This contact zone extends over 17 kilometres on the Solwezi Licenses.

A 12-hole diamond drill program at Mitu in 2016 covered an area of 300 metres on strike and 400 metres down dip. Shale units containing base metal sulphide mineralization were encountered at vertical depths of up to 170 metres. An additional 43 drill holes using air core drilling covered a strike length of 1,200 metres.

During 2017 the Company followed up the initial work at Mitu with a disciplined program consisting first of 37 line-kilometres of natural source audio magneto telluric ("NSAMT") designed to establish the extent of the geophysical footprint of the ore shales. The geophysics were followed by 648 soil samples and 4,755 metres of shallow air core drilling in 119 holes to bedrock to establish that a conductive anomaly indicated by the geophysics correlated with the presence of ore-shale. This program tested 10 kilometres of the 17-kilometre contact area with encouraging results.

In May and June of 2017, the Company initiated diamond drilling at Mitu to test the grade, physical dimensions and consistency of mineralized ore shales. During the balance of 2017 and 2018 the Company plans additional work to confirm the full strike of the mineralized zone and diamond

drilling to confirm the grade and consistency of the copper-cobalt mineralization to establish a maiden resource at Mitu.

Richard Mazur, P.Geo., Director of the Company, reviewed and approved the Exploration and Evaluation Assets descriptions in this Management's Discussion and Analysis.

Summary of Quarterly Results

The table below present's selected financial data for the Company's eight most recently completed quarters, all information was prepared in accordance with IFRS.

	Sept 30, 2017 $	June 30, 2017 $	Mar 31, 2017 $	Dec 31, 2016 $	Sept 30, 2016 $	June 30, 2016 $	Mar 31, 2016 $	Dec 31, 2015 $
Financial results								
Net loss for period	278,833	137,833	82,460	224,096	56,469	62,989	63,455	67,171
Basic & diluted loss per share	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01
Exploration expenditures	21,266	1,794,285	97,811	806,222	11,211	5,082	(2,552)	196,623
Statement of Financial Position								
Cash	24,974	45,105	294,611	698,149	8,448	13,860	65,301	Nil
Exploration & evaluation assets	7,766,271	7,745,005	2,030,720	1,932,909	1,135,358	1,124,147	1,119,065	1,121,617
Total assets	7,801,107	7,794,656	2,409,983	2,723,035	1,156,168	1,161,302	1,218,788	1,181,587
Shareholders' equity	6,243,034	6,264,520	2,334,853	2,197,313	986,054	1,042,468	1,105,512	868,930

Exploration expenditures during all quarters shown relate to work done on the Solwezi Licenses. Net losses for all periods reflect general and administrative costs including legal and accounting. Included in the net losses for the period ended September 30, 2017 ($220,455) and December 31, 2016 ($172,920) are expenses for share-based payments. The net loss for the period ended June 30, 2017 increased as a result of additional legal costs incurred in efforts to secure the extension of Prospecting License 12124-HQ-LPL as well as additional administrative costs in Zambia.

The Company expects to continue to incur higher than normal legal fees while it works towards formalizing the joint venture with Kam Chuen and the 60% ownership position in the Solwezi Licenses. Midnight Sun anticipates future quarterly expenses to be higher than past expenses as it incurs additional accounting, legal, labour and other costs associated with increased activities on the Solwezi Licenses and increased corporate activities.

Overall Performance & Results of Operations

Three Month Period Ended September 30, 2017

The Company's loss for the three months ended September 30, 2017, was $278,833, or $0.00 per share, as compared to a loss of $56,469, or $0.00 per share for the three months ended September 30, 2016. Major expenses during the three-month period ended September 30, 2017 consisted of accounting and audit fees, $9,428 (2016: $17,278), consultants' fees, $29,445 (2016: $nil), investor and shareholder relations, $18,507 (2016: $16,753), legal fees, -$29,866 (2016: $nil), office services and miscellaneous expenses, $13,278 (2016: $10,128), regulatory and transfer

agent fees, $1,230 (2016: $1,385), travel, $1,362 (2016: $nil), wages and benefits, $14,930 (2016: $9,477) and share-based payments, $220,455 (2016: $10,500).

Nine Month Period Ended September 30, 2017
The Company's loss for the nine months ended September 30, 2017, was $499,126, or $0.01 per share, as compared to a loss of $182,913, or $0.00 per share for the nine months ended September 30, 2016. Major expenses during the nine-month period ended September 30, 2017 consisted of accounting and audit fees, $63,082 (2016: $30,393), consultants' fees, $47,445 (2016: $nil), investor and shareholder relations, $45,791 (2016: $79,198), legal fees $7,858 (2016: $1,877), office services and miscellaneous expenses, $46,235 (2016: $29,150), regulatory and transfer agent fees, $12,527 (2016: $10,962), travel, $8,404 (2016: $978), wages and benefits, $47,628 (2016: $18,995) and share-based payments, $220,455 (2016: $nil).

During the nine-month period ended September 30, 2017, $212,346 in cash was used for operating activities and $865,221 in cash was used for exploration and evaluation investments, these outflows were partially funded by financing activities totalling $404,392.

Liquidity

As at September 30, 2017, the Company had a $24,974 cash position. The Company does not have cash flow from operations due to it being an exploration stage company; therefore, financings have been the sole source of funds. At September 30, 2017, the Company had working capital deficiency of $1,523,237 and an accumulated deficit of $5,021,419. In the opinion of management this working capital is insufficient to support the Company's near-term general administrative and corporate operating requirements on an on-going basis.

Liquidity Outlook

At present, in order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to numerous factors, including the progress of exploration activities.

Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities there can be no certainty equity funding will be available to the Company or available funding will be on acceptable terms. Management believes it will be able to raise equity capital as required, but recognizes that there will be risks which may be beyond its control.

Subsequent to September 30, 2017, the Company received $386,250 and issued 1,931,250 common shares upon the exercise of 1,931,250 warrants priced at $0.20. On November 27, 2017, Midnight Sun closed a non-brokered private placement of 9,002,708 units at a price of $0.30 per Unit for gross proceeds of $2,700,812.40.

Capital Resources

The Company currently does not have sufficient capital to fund planned exploration work or to meet its administrative overhead expenses for the next twelve months nor does not have any alternative funding arrangements in place. If the Company is unable to raise required capital it will not fulfil current obligations or continue to operate.

Going Concern

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several material uncertainties may cast a significant doubt on the validity of this assumption. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation asset projects. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its mineral projects by issuance of share capital or through joint ventures, and to realize future profitable production or proceeds from the disposition of its exploration and evaluation assets.

Related Party Transactions

The Company's related parties at September 30, 2017 consisted of 8 officers and directors (and their related companies).

Name of Related Party	Position at Sept 30, 2016	Nature of transaction
Allan J. Fabbro	Director	Director
Fengjie Huang	Director (MSM Zambia)	Management services
Mathew Mackenzie	Corporate Secretary	Management services
Richard J. Mazur	Director	Director
Wayne Moorhouse	CFO	Management services
Brett A. Richards	CEO & director	Management services
Robert A. Sibthorpe / 069426 BC Ltd	VP Exploration & director	Management services
Tom Ye	Director	Director

The following amounts were incurred or paid to related parties and/or their related companies during the three and nine-month periods ended September 30, 2017 and 2016:

	3 Months ended Sept 30,		9 Months ended Sept 30,	
Nature of Expenditure	**2017**	**2016**	**2017**	**2016**
Exploration and evaluation asset expenditures				
Field expenses	$8,775	nil	$60,909	nil
Wages and benefits	$6,000	$6,000	$18,000	$18,000
Total	**$14,775**	**$6,000**	**$78,909**	**$18,000**

Key management consists of those individuals having authority and responsibility for, directly or indirectly, planning, directing, and controlling the activities of the Company.

As at September 30, 2017, $6,802 (December 31, 2016 - $2,657) is due to officers, directors or companies with a director in common for cash advances, unpaid geological consulting fees, unpaid wages and unpaid expenses.

All related party payments and accruals were made in the normal course of operations and have been valued here and in the Financial Statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Commitments

Other than obligations relating to the Agreement disclosed in the Financial Statements and elsewhere this MD&A the Company does not have any commitments.

Critical Accounting Estimates

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy to capitalize exploration costs is consistent with IFRS and applicable guidelines for exploration stage companies, and is consistent with other junior exploration companies that have not established mineral reserves. An alternative policy would be to expense exploration costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier reviews if circumstances warrant, in the event that the long-term expectation is the net carrying amount of capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Financial and Other Instruments

Financial Instruments – Recognition and Measurement
Financial instruments include cash, receivables (including amounts receivable from option partners), accounts payable and accrued liabilities (including amounts payable to joint venture partners) and amounts due to related parties.

The Company has designated each of its significant categories of financial instruments as follows:

Cash	Fair value through profit or loss
Receivables	Loans and receivables
Amounts due to related parties	Other financial liabilities
Accounts payable and accrued liabilities	Other financial liabilities

Fair value adjustments, if any, are not reasonably determinable by management as comparable interest rate and risk profiles are not available.

Fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Fair Value
The carrying value of receivables, accounts payable and accrued liabilities, and amounts due to related parties approximated their fair value because of the short-term nature of these instruments.

Financial Risks and Uncertainties

Interest rate risk
The Company has non-material exposure at September 30, 2017 and December 31, 2016 to interest rate risk through its financial instruments.

Currency Risk
As at September 30, 2017 and December 31, 2016, the majority of the Company's cash was held in Canadian dollars, the Company's functional and reporting currency. The Company is exposed to currency risk due to accounts payable in US Dollars.

Credit risk
The Company has no significant concentrations of credit risk arising from operations. The Company has some cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Management believes the risk to be minimal.

Receivables consist mainly of goods and services tax due from the Federal Government of Canada.

Liquidity Risk
The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at September 30, 2017, the Company had $24,974 cash (December 31, 2016 – $698,149) and current liabilities of $1,558,073 (December 31, 2016 - $525,722). The Company's current working capital is insufficient to support the Company's near-term general administrative and corporate operating requirements on an on-going basis. The Company intends to raise funds adequate to meet its liquidity needs for the next twelve months via the sale of equity.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a year:

- Cash includes deposits, which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would not materially affect the net loss; and
- The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

Finance Risk
The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Non-Financial Risks and Uncertainties

The Company is in the business of acquiring and exploring mineral properties. It is exposed to many risks and uncertainties that are common to mineral exploration companies or companies with a similar business model. The industry is cash intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates, inflation and other risks. The Company currently has no source of revenue other than interest on its cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

For more information of the risks and uncertainties to which the Company may be subject please refer to the Company's MD&A for the financial year ended December 31, 2016.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Share Capital Information

The table below presents the Company's common share data as of November 27, 2017.

	Price	Expiry date	Nov 27, 2017
Common shares, issued and outstanding			**72,412,684**
Securities convertible into common shares:			
Stock Options	$0.155	April 9, 2018	100,000
	$0.25	October 23, 2018	650,000
	$0.25	January 23, 2019	275,000
	$0.25	November 28, 2021	2,950,000
	$0.35	August 18, 2022	1,000,000
Total Options			4,975,000
Warrants	$0.20	January 29, 2018	4,045,000
	$0.20	December 2, 2018	10,032,000
	$0.20	December 29, 2018	1,975,000
	$0.45	November 24, 2018	9,002,708
Broker Warrants	$0.20	January 29, 2018	134,000
	$0.20	December 2, 2018	402,560
	$0.20	December 29, 2018	27,740
	$0.45	November 24, 2018	471,799
Total Warrants			26,090,807
Total options & warrants			**31,065,807**

Dividends

Midnight Sun has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and. Any future determination to pay dividends will be at the discretion of the Board of Directors of Midnight Sun and will depend on Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deem relevant.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Midnight Sun's general and administrative expenses and exploration and evaluation assets expenditures is provided in the Company's Financial Statements as at and for the period ended September 30, 2017. These Financial Statements are available on SEDAR at www.sedar.com.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures "(DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of Midnight Sun has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional information is available on SEDAR at www.sedar.com.

Forward Looking Information

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.