



**MIDNIGHT SUN MINING CORP.
MANAGEMENT'S DISCUSSION AND
ANALYSIS**

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

As at November 27, 2018

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

1. INTRODUCTION

The following management’s discussion and analysis (“MD&A”) of Midnight Sun Mining Corp. has been prepared as of November 27, 2018. 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 & nine-month periods ended September 30, 2018, 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 except where 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 complete. At September 30, 2018, the Company was in the exploration stage of activity on its jointly held exploration 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.

2. HIGHLIGHTS & SIGNIFICANT EVENTS

Financial Highlights for the Nine Months Ended September 30, 2018

- At September 30, 2018, the Company reported total assets of \$11,362,970 consisting of current assets of \$217,446 and exploration and evaluation assets of \$11,145,524.
- On May 30, 2018, the Company completed a non-brokered private placement for gross proceeds of \$1,105,268. The Company issued 3,453,963 units at a price of \$0.32 with each unit consisting of one common share and one-half common share purchase warrant. Each full warrant allows the holder to purchase one common share in the Company at a price of \$0.48 for a period of twenty-four months from closing. Finders’ fees of \$43,704 were paid in cash and 136,575 Finders’ Warrants were issued in conjunction with the placement. Each Finders’ Warrant entitles the holder to purchase one common share of the Company at a price of \$0.48 prior to May 30, 2019.

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

- On April 3, 2018, the Company received \$15,500 and issued 100,000 common shares upon the exercise of stock options priced at \$0.155 with an expiry date of April 9, 2018.
- During the nine-month period ended September 30, 2018 the Company received gross proceeds of \$695,560 and issued 3,477,800 common shares upon the exercise of 3,477,800 share purchase warrants priced at \$0.20.
- During the nine-month period, the Company granted stock options to purchase an aggregate of 2,575,000 common shares of the Company, at an exercise price of \$0.36 per share, to certain employees, consultants and directors and stock options to purchase 350,000 common shares of the Company, at an exercise price of \$0.315 per share to an investor relations consultant. The stock options were granted pursuant to the Company's Share Option Plan.

Corporate Highlights for the Nine Months Ended September 30, 2018

- On January 31, 2018, Midnight Sun announced it had satisfied all obligations under an option agreement with Kam Chuen Resource Holdings Ltd. ("Kam Chuen") and had earned a 60% interest in the Solwezi Licences.
- During the nine-month period ended September 30, 2018 exploration work conducted on the Solwezi Licences by the Company included 34.0 line-kilometres of ground geophysics, 3,889 line-kilometres of airborne geophysics, 10,424 metres of air core drilling and 1,503 metres of diamond drilling.

Events Subsequent to September 30, 2018

- On October 1, 2018 the Company announced it would not proceed with an agreement to acquire the 40% of the Solwezi Licences it did not own from Kam Chuen under a previously announced letter of intent and term sheet.
- On October 10, 2018, the Company extended the expiration date of 22,446,690 share purchase warrants priced between \$0.20 and \$0.48 with original expiration dates ranging from October 28, 2018 to May 30, 2019. The new expiration dates for the warrants now range from April 29, 2019 and May 30, 2020.
- On October 31, 2018, the Company completed the first tranche of a non-brokered private placement for gross proceeds of \$534,960. The Company issued 4,458,000 units priced at \$0.12 with each unit consisting of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.20 prior to November 1, 2019. Finders' fees of \$26,237 were paid in cash and 218,640 Finders' Warrants were issued in conjunction with the placement. Each Finders' Warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 prior to November 1, 2019.

3. EXPLORATION AND EVALUATION ASSETS

Solwezi Licenses - Zambia

On July 30, 2013, the Company, entered into an option agreement (the “Option”) with Kam Chuen, to acquire a 60% interest in two mineral exploration permit licenses located near Solwezi, Zambia, 21509-HQ-LEL (formerly 14039-HQ-LPL) and 12124-HQ-LPL (the “Solwezi Licenses”). The Solwezi Licences are held in a Kam Chuen subsidiary, Zambian High Light Mining Investment Limited (“ZHLMIL”). The TSXV approved the Option on December 6, 2013.

The Solwezi Licenses, which cover a total area 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.

On March 1, 2017, the Acting Chief Registrar of Mining Rights issued a new license, 21509-HQ-LEL, covering the same ground and replacing the existing license 14039-HQ-LPL. 21059-HQ-LEL is in effect for an initial period of 4 years with the option for future renewals provided the license is maintained in accordance with the contained terms and the *Mines and Mineral Development Act, 2015*.

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, having 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*. The Company has applied for a renewal of 12124-HQ-LEL and has received a written response indicating the final 3-year renewal will be granted.

60% Option Agreement

The Option was amended effective April 7, 2015 and July 12, 2016. Under the amended Option terms, to earn a 60% interest in the Solwezi Licences Midnight Sun was required fulfil the following obligations:

- a) Issue a total of 15,333,333 common shares to Kam Chuen or its assigns with 1,333,333 shares to be issued following TSXV acceptance (issued February 14, 2014; valued at \$186,667) and 14,000,000 shares issued on July 31, 2016 (issued February 15, 2017; valued at \$3,920,000); and
- b) Incur a total of \$3,666,667 in qualifying expenditures on the Solwezi Licenses prior to December 6, 2018 (incurred).

At December 31, 2017 the Company had fulfilled all requirements to earn a 60% interest in the Solwezi Licenses having issued 15,333,333 common shares to Kam Chuen and incurring \$4,031,324 qualifying property related expenditures. Under the terms of the Option, 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

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

60% ownership interest in ZHLMIL to Midnight Sun. The Company and Kam Chuen are negotiating the final form of the joint venture and have initiated the process to transfer the ZHLMIL shares.

Exploration Property - Expenditures

As at September 30, 2018, the Company had funded the following expenditures on the Solwezi Licenses:

Site and project expenditures	31-Dec-17	Additions	30-Sept-18
Acquisition costs	\$ 4,136,678	\$ -	\$ 4,136,678
Assays	225,567	113,894	339,461
Diamond drilling	2,067,589	953,579	3,021,168
Equipment	-	83,134	83,134
Field expenses	364,738	859,557	1,224,295
General & administration	3,938	304,239	308,177
Geological consulting	555,610	455,513	1,011,123
License	168,953	139,913	308,866
Travel and accommodation	278,445	434,177	712,622
Total operations funded	\$ 7,801,518	\$ 3,344,006	11,145,524

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, 2015	\$ 1,121,617	\$ 1,121,617
Acquisition costs	(8,671)	(8,671)
Exploration expenditures	819,963	819,963
Total additions during year	811,292	811,292
Balance, December 31, 2016	\$ 1,932,909	\$ 1,932,909
Acquisition costs	3,920,000	3,920,000
Exploration expenditures	1,948,609	1,948,609
Total additions during year	5,868,609	5,868,609
Balance, December 31, 2017	\$ 7,801,518	\$ 7,801,518
Exploration expenditures	3,344,006	3,344,006
Total additions during year	3,344,006	3,344,006
Balance, September 30, 2018	\$ 11,145,524	\$ 11,145,524

Exploration Property - Operations

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 Kinsanshi Mine.

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

Based on historical work, the Company has identified six significant exploration targets on the Solwezi Licences. Since signing the Option work has focussed on the following four areas:

- *The 22 Zone* – the initial discovery and drill target on the Solwezi Licences 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.
- *Kifumbwe* – a large nickel soil anomaly covering over 6 kilometres of identified strike.

Currently, the Company’s primary exploration focus is 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 Licences.

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 continued work at Mitu with a program consisting initially 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. The geophysics, sampling and air core drilling were followed up with a 15-hole, 4,062 metre, diamond drill program to test the grade, physical dimensions and consistency of mineralized ore shales.

During 2018, the Company conducted a 34 line-kilometre NSAMT survey at Mitu, conducted a 3,889-line kilometre Versatile Time Domain Electromagnetic (“VTEM”) survey, drilled 10,424 metres of air core drilling, drilled 1,503 metres of diamond drilling, constructed core storage and logging facilities and relogged all available core. Midnight Sun is developing drill targets on the 22 Zone, and future drill targets on other areas of the Solwezi Licences based on the results of the VTEM survey and other data. Additional drilling is planned at Mitu to further confirm the grade and consistency of the copper-cobalt mineralization and to expand the known mineralized zone.

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

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:

Work	31-Dec-17	Additions	30-Sept-18
Geochemical - sampling	5,928	-	5,928
Ground Geophysics – NSAMT	43.7 kms	34.0 kms	77.7 kms
Airborne Geophysics -VTEM	-	3,889	3,889
Air Core drilling - metres	24,215	10,424	34,639
Air Core drilling - holes	501	234	835
RC drilling - metres	1,276	-	1,276
RC drilling - holes	15	-	15
Diamond drilling - metres	7,326	1,503	8,829
Diamond drilling - holes	50	7	57

Peter Flindell, MAusIMM and MAIG., a Qualified Person under NI 43-101, has reviewed the information contained herein.

4. 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, 2018 \$	June 30, 2018 \$	Mar 31, 2018 \$	Dec 31, 2017 \$	Sept 30, 2017 \$	June 30, 2017 \$	Mar 31, 2017 \$	Dec 31, 2016 \$
Financial results								
Net loss for period	127,073	580,663	669,466	391,778	278,833	137,833	82,460	224,096
Basic & diluted loss per share	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.01
Exploration expenditures	\$544,541	\$2,331,198	\$468,267	\$35,247	21,266	1,794,285	97,811	806,222
Statement of Financial Position								
Cash	19,161	444,608	1,048,533	1,528,810	24,974	45,105	294,611	698,149
Exploration & evaluation assets	11,145,524	10,600,983	8,269,785	7,801,518	7,766,271	7,745,005	2,030,720	1,932,909
Total assets	11,362,970	11,045,591	9,641,794	9,400,915	7,801,107	7,794,656	2,409,983	2,723,035
Shareholders' equity	9,996,805	10,117,726	9,234,307	9,000,787	6,243,034	6,264,520	2,334,853	2,197,313

All exploration expenditures relate to work done on the Solwezi Licenses. Net losses for all periods reflect general and administrative costs including legal and accounting. Prior to January 1, 2018, Zambian operations were directed and funded directly by the Company. In January 2018, the Company added technical and support staff in Zambia and transferred responsibility for most operational functions to MSM Zambia as the size and scope of the annual program in Zambia increased. The increased level of activity in MSM Zambia resulted in an initial increase in office, legal, accounting, administrative and staffing costs as reflected in the net losses for the quarters ended March 31 and June 30, 2018. During the quarter ended September 30, 2018 the Company reassessed its administrative processes and significantly reduced administrative costs.

5. DISCUSSION OF OPERATIONS

Overall Performance & Results of Operations

Three Month Period Ended September 30, 2018

The Company's loss for the three months ended September 30, 2018, was \$127,073, or \$0.00 per share, as compared to a loss of \$278,833, or \$0.00 per share for the three months ended September 30, 2017. The decrease was primarily a result of lower share-based payments in 2018, \$6,125 compared to 2017, \$220,455.

Major expenses during the three-month period ended September 30, 2018 consisted of accounting and audit fees, \$8,448 (2017: \$9,428), consulting fees, \$38,910 (2017: \$29,445), investor and shareholder relations, \$12,254 (2017: \$18,507), legal fees, \$15,000 (2017: -\$29,866), office services and miscellaneous expenses, \$22,567 (2017: \$13,278), regulatory and transfer agent fees, \$953 (2017: \$1,230), share-based payments, \$6,152 (2017: \$220,455), travel, \$2,609 (2017: \$1,362) and wages and benefits, \$14,375 (2017: \$14,930).

Nine Month Period Ended September 30, 2018

The Company's loss for the nine months ended September 30, 2018, was \$1,377,172, or \$0.02 per share, as compared to a loss of \$499,126, or \$0.01 per share for the nine months ended September 30, 2017. The increase was primarily a result of costs incurred by MSM Zambia, share-based payments, increased investor relations activities, the increased use of consultants and legal costs.

Major expenses during the nine-month period ended September 30, 2018 consisted of accounting and audit fees, \$35,884 (2017: \$63,082), consulting fees, \$226,141 (2017: \$47,445), investor and shareholder relations, \$171,141 (2017: \$45,791), legal fees, \$75,450 (2017: \$7,858), office services and miscellaneous expenses, \$92,978 (2017: \$46,235), regulatory and transfer agent fees, \$17,364 (2017: \$12,257), share-based payments, \$607,587 (2017: \$220,455), travel, \$9,695 (2017: \$8,404) and wages and benefits, \$134,845 (2017: \$47,628).

During the nine-month period ended September 30, 2018, \$1,079,693 in cash was used for operating activities and \$2,195,559 in cash was used for exploration and evaluation investments, these outflows were partially funded by financing activities totalling \$1,765,603.

6. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at September 30, 2018, the Company had \$19,161 in cash. 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, 2018, the Company had working capital deficit of \$1,148,719 and an accumulated deficit of \$6,790,770. 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. Subsequent to September 30, 2018, the Company announced a non-brokered private placement for gross proceeds of \$1,000,000 consisting of

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

8,333,333 units with each unit consisting of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share in the Company at a price of \$0.20 for a period of 12 months from closing. On October 31, 2018, the Company completed the first tranche of the non-brokered private placement issuing 4,458,000 units and receiving for gross proceeds of \$534,960. The Company anticipates closing the private placement prior to December 31, 2018.

Liquidity Outlook

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through the sale of equity, from the exercise of convertible securities and from optioning its exploration and evaluation assets. 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 several factors, including the progress of exploration activities.

Given volatility in equity markets, global economic uncertainty, cost pressures and results of exploration activities there can be no certainty equity funding will be available to the Company or if 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.

Capital Resources

The Company has insufficient capital to cover its administrative overhead expenses for the next twelve months. The Company does not currently have sufficient capital to fund all budgeted or planned exploration activities on the Solwezi Licenses during 2018. To continue exploring the Solwezi Licenses, Midnight Sun will be required to raise additional capital, and if capital is not available the Company will have to delay some planned exploration expenditures.

7. TRANSACTIONS WITH RELATED PARTIES

The Company's related parties at September 30, 2018 consist of 8 officers and directors (and their related companies).

Name of Related Party	Position at Sept 30, 2018	Nature of transaction
Allan J. Fabbro	Director	Director
Fengjie Huang	Director (Zambian subsidiary)	Geological consulting
Mathew Mackenzie	Secretary	Corporate secretary
Richard J. Mazur	Director	Director
Wayne Moorhouse	CFO	Management services
Brett Richards/Richards Enterprises Inc.	President, CEO & director	Management services
Robert A. Sibthorpe / 069426 BC Ltd	VP Exploration & director	Management services
Tom Ye	Director	Director

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

As at September 30, 2018, \$114,694 (December 31, 2017 - \$282,530) is due to officers, directors or companies with a director in common for cash advances, unpaid geological consulting fees, unpaid wages and bonuses and unpaid expenses.

8. KEY MANAGEMENT COMPENSATION

Compensation paid or accrued to key management and/or their related companies during the three-month periods ended September 30, 2018 and 2017 is as follows:

Nature of Expenditure	3 Months ended September 30,		9 Months ended September 30,	
	2018	2017	2018	2017
Exploration & evaluation asset expenditures				
Field expenses	-	-	-	\$60,909
Wages and benefits	\$6,240	\$6,000	\$18,720	\$18,000
Consulting fees	\$42,821	-	\$112,123	-
Share-based payments	\$224,297	-	\$390,411	-
Total	\$273,358	\$6,000	\$521,254	\$78,909

Key management consists of those individuals having authority and responsibility for, directly or indirectly, planning, directing, and controlling the activities of the Company. Wages were paid to the Company's Corporate Secretary, Consulting fees are amounts paid to the Company's CEO and share-based payments reflect the stock option expense for options granted to the Company's directors, CFO, Corporate Secretary and a director of ZHLML.

All the above 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.

9. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

10. PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions other than the transactions discussed in this MD&A; however, the Company will continue to review potential property acquisitions in addition to conducting exploration work on its properties.

11. CRITICAL ACCOUNTING ESTIMATES

Please see note 2 to the Financial Statements.

12. CHANGES IN ACCOUNTING POLICY

Please see note 3 in the Financial Statements.

13. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Board, through the Audit Committee, is responsible for identifying the principal risks facing the Company and ensuring that appropriate risk management systems are developed and implemented. The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk and credit risk in accordance with its risk management framework.

Financial Instruments

Please refer to Note 4 of the Financial Statements.

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.

Related Risks

Interest rate risk

The Company has non-material exposure at September 30, 2018 and December 31, 2017 to interest rate risk through its financial instruments.

Currency Risk

As at September 30, 2018 and December 31, 2017, 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. A 1% change in the foreign exchange rate between the Canadian and US Dollar would result in a fluctuation of \$17 on the net loss for the period.

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 also has \$1,692 held with a major financial institution in Zambia. Management believes the risk of loss to be remote.

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, 2018, the Company had \$19,161 cash (December 31, 2017 – \$1,528,810) and current liabilities of \$1,366,165 (December 31, 2017 -

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

\$400,128). 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 private placement.

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.

14. RISKS AND UNCERTAINTIES

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

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, 2017.

15. NATURE OF 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.

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

16. DISCLOSURE OF OUTSTANDING SHARE DATA

The table below presents the Company's common share data as of November 27, 2018.

	Price	Expiry date	Nov 27, 2018
Common shares issued and outstanding			84,902,447
Securities convertible into common shares:			
Stock Options	\$0.25	January 23, 2019	275,000
	\$0.25	October 24, 2019	350,000
	\$0.25	November 28, 2021	2,600,000
	\$0.35	August 18, 2022	1,000,000
	\$0.36	January 31, 2023	2,575,000
Total Options			6,800,000
Warrants	\$0.20	April 29, 2019	5,982,000
	\$0.20	June 3, 2019	3,800,000
	\$0.20	July 1, 2019	1,935,000
	\$0.20	October 30, 2019	4,458,000
	\$0.45	November 27, 2019	9,002,708
	\$0.48	May 11, 2020	685,782
	\$0.48	May 30, 2020	1,041,200
Broker Warrants	\$0.20	December 2, 2018	393,760
	\$0.20	December 29, 2018	27,740
	\$0.48	May 30, 2019	136,575
	\$0.20	October 30, 2019	218,640
Total Warrants			27,681,405
Total options & warrants			34,481,405

17. COMMITMENTS

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

18. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

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, 2018. These Financial Statements are available on SEDAR at www.sedar.com.

19. 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

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three & Nine Months Ended September 30, 2018

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.

20. 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.

21. ADDITIONAL INFORMATION

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