



M I D N I G H T S U N M I N I N G

MIDNIGHT SUN MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

As at December 1, 2025

MIDNIGHT SUN MINING CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Nine-Month Period Ended September 30, 2025

1. INTRODUCTION

The following management’s discussion and analysis (“MD&A”) of Midnight Sun Mining Corp. has been prepared as of December 1, 2025. This MD&A should be read in conjunction with the condensed consolidated interim financial statements (“Financial Statements”) of Midnight Sun Mining Corp. and the notes thereto for the period ended September 30, 2025, and the audited consolidated financial statements for the year ended December 31, 2024, 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. 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, 2025, 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 subsidiaries Midnight Sun Mining Zambia Limited (“MSM Zambia”), a company incorporated on October 29, 2013 under the laws of Zambia, as well as Midnight Sun (BVI) One Corp. and Midnight Sun (BVI) Two Corp., two companies incorporated in 2018 under the laws of the British Virgin Islands. The Company has consolidated the operations of MSM Zambia since its incorporation.

2. HIGHLIGHTS & SUBSEQUENT EVENTS

Corporate and Financial Highlights for the Nine-Months Period Ended September 30, 2025

- On January 8, 2025, the Company announced the completion of the exploration program at the Kazhiba Target, located on the Company’s Solwezi Property in Zambia. The Company completed a total of 2,005 metres of RC Drilling within 54 holes. A wide spaced IP Survey has been completed over additional targets at Kazhiba to identify stratigraphic conductors for future drill testing of possible sulphide sources of the Kazhiba oxide blanket. Additional targets could represent standalone opportunities within the license.
- On January 29, 2025, the Company announced that it had intersected significant high grade oxide copper mineralization at its Kazhiba Target. Highlights include:
 - **MSZ22-028: 21.0m @ 10.69% copper**
 - **MSZ22-020: 26.0m @ 5.60% copper**
 - **MZZ22-012: 15.0m @ 3.01% copper**
 - **MSZ22-030: 7.0m @ 4.66% copper**

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- On February 18, 2025, the Company announces that the previously announced Dumbwa earn-in agreement with KoBold Metals Company (“KoBold”) (see news release dated February 20th, 2024) has been terminated. The Company retains 100% ownership of its flagship Dumbwa Target, one of four key targets on the Company’s Solwezi Project in Zambia. Since the announcement of the earn-in, no field work was carried out by KoBold on Dumbwa.
- On February 27, 2025, the Company announced that results of the completed 2024 geochemical and geophysical exploration programs have defined significant new sulphide and oxide targets on Kazhiba.
- On April 2, 2025, the Company announced the beginning of the 2025 exploration campaign on the Company’s Solwezi Project in Zambia. This phase of exploration has been designed to significantly advance all three of Midnight Sun’s key target areas; Dumbwa, Kazhiba and Mitu. The exploration work will address sulphide copper targets at Dumbwa, and both oxide and sulphide copper targets at Kazhiba and Mitu, following up on known mineralization as well as brand-new targets generated in the 2024 exploration campaign at Kazhiba.
- On May 28, 2025, the Company entered into an Earn-In and Operating Agreement with Zambezi Mint Investment Limited regarding the 366 square kilometre Luswishi Dome Project, located approximately 40 kilometres southeast of the Company’s Solwezi Project, in Zambia.

The Earn-in Agreement consists of three stages:

- Stage 1: To earn an initial 51% ownership of the license, Midnight Sun must complete CA \$750,000 worth of exploration and development expenditures on the license within 24 months of the agreement date.
- Stage 2: To earn an additional 19% (70% cumulative ownership) of the license, Midnight Sun can sole fund an NI 43-101 compliant inferred mineral resource within 24 months of the completion of Stage 1.
- Stage 3: To earn an additional 10% (80% cumulative ownership) of the license, Midnight Sun can sole fund a pre-feasibility study within 36 months of the completion of Stage 2.

Midnight Sun has the right, but not the obligation, to complete any of the stages and there is no firm spend.

- On June 5, 2025, the Company announced the initiation of diamond drilling on the Kazhiba 2 sulphide copper target at Solwezi. The program was planned to include six to eight diamond drill holes totalling approximately 1,000 metres to test the ~four kilometre by two kilometre Kazhiba sulphide copper target.
- On June 10, 2025, the Company announced that Mr. Adrian Karolko, P.Geo., was appointed as Vice President, Exploration for the Company.

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- On July 17, 2025, the Company announced the results of the initial phase of dipole-dipole IP over the Dumbwa Soil Anomaly. This survey correlates with previous drilling and with the previously identified geochemical anomaly and will be used to determine the placement of drill locations for future Dumbwa drill programs.
- On July 22, 2025, the Company announced the initiation of expansion drilling at the Kazhiba Main Oxide Target. This program, with 164 RC holes planned, is designed to test for extensions to mineralization encountered during 2024 drilling.
- On August 6, 2025, the Company announced the beginning of diamond drilling at the Company's flagship Dumbwa Target on the Solwezi Project in Zambia. The initial focus is to confirm and correlate disseminated copper sulphide mineralization with the target horizon as interpreted by the IP chargeability response. The initial hole is situated on the eastern half of IP Line 2 and tests a very strong chargeability anomaly.
- On August 20, 2025, the Company announced that it had brought in an additional diamond drill to expedite the exploration program on Dumbwa.
- On September 23, 2025, the Company announced that it had brought in a third diamond drill rig for its Dumbwa target.
- On October 1, 2025, the Company announced intercepts within the Dumbwa target which feature significant copper mineralization such as 0.51% Cu over 39.7 metres ("m") including 1.13% Cu over 7m from hole DBW-25-007, and 0.48% Cu over 25.9m from hole DBW-25-003, successfully confirming the mineralized sulphide copper system at depth.
- On October 20, 2025, the Company announced that it qualified to trade on the OTCQX Best Market in the United States under the ticker symbol "MDNGF".
- On October 28, 2025, the Company closed a bought deal financing by issuing 22,574,500 units at a price of \$1.35 per unit for gross proceeds of \$30,475,575. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire an additional common share at a price of \$2.00 for a period of two years. In connection with the offering, the Company paid finders' fees of \$1,828,535 and issued 1,354,470 finders' warrants with an exercise price of \$1.35 and life of two years.
- On November 4, 2025 the Company announced further intercepts from the Kazhiba Main Target outlining new zones of significant oxide copper mineralization including 7.39% copper over 14.86 metres from hole MZE-25-029E.
- On November 18, 2025 the Company announced additional step-out drilling results on the Dumbwa Target, including 0.98% copper over 15 metres and 0.79% copper over 5.25 metres from hole DBW-25-009 and 1.0% copper over 22 metres from hole DBW-25-010, further expanding the strike length of mineralization at the Dumbwa Target.
- During the period ended September 30, 2025, an aggregate of 14,248,807 warrants and 2,315,000 options were exercised for gross proceeds of \$5,359,948 and \$370,650 respectively.

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- Subsequent to the period ended September 30, 2025, an aggregate of 5,653,792 warrants and 100,000 options were exercised for gross proceeds of \$1,865,751 and \$60,000 respectively.

3. EXPLORATION AND EVALUATION ASSETS

60% Option Agreement

Pursuant to an option agreement (the “Option”) dated July 30, 2013, the Company acquired a 60% interest in two mineral prospecting licenses 21509-HQ-LEL and 12124-HQ-LPL, the Solwezi Licences, which are held by subsidiary of Kam Chuen, Zambian Highlight Mining Investment Limited (“ZHMIL”). To earn the 60% interest in the Solwezi Licences Midnight Sun issued a total of 15,333,333 common shares (issued - valued at \$4,106,667) to Kam Chuen and incurred a total of \$3,666,667 in qualifying expenditures on the Solwezi Licences. The Company received the 60% interest in ZHLMIL during the year ended December 31, 2019.

Under the Option, Midnight Sun was the operator responsible for managing all exploration and administration of the Solwezi Licences and the Company has continued in this role since earning the 60% interest.

On September 22, 2020, the Company increased its ownership share in ZHLMIL to 80.65% by participating in an issuance of 16,022 ZHLMIL ordinary shares at a price of \$618.52 with a total value of \$9,909,927. Of the total subscription, 5,756 ZHLMIL ordinary shares were fully paid up based on previous expenditures incurred by the Company in the amount of \$3,560,020. The remaining 10,266 ZHLMIL ordinary shares in the amount of \$6,349,726 were fully paid up by way of exploration expenditures made on behalf of ZHLMIL by the Company or the Company’s former earn-in partner, Rio Tinto during the year ended December 31, 2020. On the acquisition of the additional 20.65% interest in the ZHMIL, the Company recognized a decrease to the non-controlling interest of \$1,587,043 with a corresponding reduction in deficit.

On December 7, 2022, the Company increased its ownership share in ZHLMIL to 84.30% by participating in an issuance of 7,187 ZHLMIL ordinary shares at a price of \$618.52 with a total value of \$4,445,303. The remaining ordinary shares in the amount were fully paid up by way of exploration expenditures made on behalf of ZHLMIL by the Company or the Company’s earn-in partner, Rio Tinto. On the acquisition of the additional 3.64% interest in the ZHMIL, the Company recognized a decrease to the non-controlling interest of \$343,423 with a corresponding reduction in deficit.

Solwezi Licenses – Zambia

On March 1, 2017, the Acting Chief Registrar of Mining Rights issued the licence 21509-HQ-LEL which was in effect for a period of 4 years with the option for future renewals providing the licence is maintained in accordance with the contained terms and the Mines and Minerals Development Act, 2015. On February 28, 2021, licence 21509-HQ-LEL was renewed for a further 3-year period and during the year ended December 31, 2024, the Company applied for an extension on 21509-HQ-LEL. On January 2, 2025, Zambian Mining Licensing Committee issued an update that the license has been approved. In renewing the claim in February 2021, the Company was required to relinquish 50% of the licence area. The relinquished 50% was granted to Rio Tinto Exploration Zambia Limited as licence 28816-HQ-LEL and was held on behalf of the Company as per the terms of the Earn-In and Joint Venture Agreement between Rio Tinto Mining and Exploration Limited (“Rio Tinto”) and Midnight Sun. During the year ended December 31, 2024, the licence was transferred from Rio Tinto to the Company’s wholly-owned subsidiary, FAMS.

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On November 30, 2018, 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, 2021. This renewal was the final renewal period available to ZHLMIL. In accordance with the Mines and Minerals Development Act, 2015, for a period of 12 months, ZHLMIL is precluded from owning the same license area which expired. In order to preserve the license area, Rio Tinto formed a new corporation, Solwezi Metals Exploration Ltd., to apply for a new License over the same area. The relationship between Solwezi Metals Exploration Ltd. and Midnight Sun is governed by the terms of the Earn-In and Joint Venture Agreement between Rio Tinto and Midnight Sun. Solwezi Metals Exploration Ltd.'s application was accepted by the Zambian Mining Cadastre on November 23, 2021, and licence 30678-HQ-LEL was granted on March 27, 2023.

Exploration Property - Expenditures

As at September 30, 2025, the Company had funded the following expenditures on the Solwezi Licenses:

Site and project expenditures	31-Dec-24	Additions	30-Sept-25
Acquisition costs	\$ 12,957,223	\$ -	\$ 12,957,223
Assays	396,631	417,643	814,274
Drilling	4,301,444	1,583,750	5,885,194
Field expenses	1,354,087	26,716	1,380,803
General & administration	1,037,891	108,917	1,146,808
Geological consulting	2,072,567	299,421	2,371,988
License	281,968	-	281,968
Travel and accommodation	819,642	90,094	909,736
Total operations funded	\$ 23,221,453	\$ 2,526,541	\$ 25,747,994

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

	Solwezi
Balance, December 31, 2023	\$ 22,498,439
Exploration expenditures	723,014
Balance, December 31, 2024	23,221,453
Exploration expenditures	2,526,541
Balance, September 30, 2025	\$ 25,747,994

Exploration Property – Activities

The MMA properties comprise 506 km² of prospective geology contiguous to the mine license held by First Quantum Minerals which contains the Kansanshi Mining Complex. The Kansanshi Mine is one of the largest operating copper mines in Africa. The MMA licenses have been sporadically explored by operators prior to 2012 and ensuing exploration activity has generated multiple highly prospective zones for advanced exploration, namely Dumbwa, Kazhiba, Mitu, and Crunch. Significant potential for the discovery and resource development of copper oxides exists across the Company's licences.

The Dumbwa Target features a high-grade copper-in-soil anomaly which extends for over 20 kilometres along strike and +1 kilometre in width with peak observed values up to 0.73% copper. Work to date has identified the potential for multiple stacked mineralized horizons which are interpreted to be analogous to

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Barrick's Lumwana Mine located approximately 40 kilometres to the west of the target area. Exploration work, which includes the geochemical sampling and geophysical surveys, suggest that systematic drilling guided by structural controls is the next step towards establishing continuity, size, and scale of an underlying system.

During the year ended December 31, 2024, the Company entered into an earn-in agreement with Kobold Metals Company which allowed for Kobold to earn a 75% interest in the Dumbwa target by incurring US\$15 million in exploration expenditures and making cumulative cash payments to the Company of US\$500,000. During the period ended September 30, 2025, the earn-in was terminated prior to any field work by Kobold and the Company now retains 100% ownership of its flagship Dumbwa Target.

The Kazhiba Dome Target is located less than 10 kilometres from the Kansanshi Mine Complex. Multiple drill intercepts in work completed to date have identified a high-grade copper oxide blanket, the source of which is yet to be discovered.

On September 19, 2024, the Company announced the start of exploration work at Kazhiba as part of a previously announced Cooperative Exploration Plan in place with First Quantum Minerals. This program, designed to define near surface oxide copper resources as a potential feed source for First Quantum's Kansanshi Mine, included 3,000 metres of reverse circulation drilling, partial ionic leach soil sampling and an induced polarization survey over a previously untested anomaly at Kazhiba.

On January 8, 2025, the Company announced the completion of the 2024 Kazhiba exploration program with a total of 2,005 metres of RC Drilling within 54 holes as well as wide spaced IP Surveying of additional targets at Kazhiba and a partial ionic leach geochemical survey.

On January 29, 2025, the Company announced that it had intersected high-grade oxide copper in the recently completed Kazhiba exploration program. Drill highlights include:

- **MSZ22-028: 21.0m @ 10.69% copper**
- **MSZ22-020: 26.0m @ 5.60% copper**
- **MZZ22-012: 15.0m @ 3.01% copper**
- **MSZ22-030: 7.0m @ 4.66% copper**

In addition, on February 27, 2025, the Company announced that the 2024 geochemical and geophysical exploration programs defined significant new sulphide and oxide targets on Kazhiba.

The Mitu Trend targets lie west of the Dumbwa target and were developed based on the interpretation of airborne magnetic data which highlighted a corridor of intense deformation, about 8 – 10 kilometres wide. In the 2022 field season, Midnight Sun completed seven holes on the Mitu Trend target area to test the continuity of the historic intercept in hole MDD-17-15 which measured 3.44% copper, 0.07% cobalt and 0.06% nickel over 11.6m (see the Company's news release dated July 4, 2017). Initial results on the Mitu trend were announced on November 7, 2022.

Copper mineralisation intercepted at Mitu is associated with cobalt, nickel, and anomalous gold. This suite of metals is comparable in mineralization style and grade to those at First Quantum's Sentinel Mine, located approximately 120 kilometres west of Midnight Sun's Solwezi Project.

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Recent Mitu Drill Highlights Include:

- **MTDD044: 11.50m @ 1.41% copper, 0.11% cobalt, and 0.03% nickel**
 - **Incl. 4.15m @ 1.29% copper, 0.13% cobalt, and 0.09% nickel; and**
 - **Incl. 5.80m @ 1.86% copper, 0.07% cobalt, and 0.02% nickel**
- **MTDD045: 7.30m @ 0.58% copper, 0.02% cobalt, and 0.02% nickel**
- **MTDD047: 26.10m @ 0.32% copper, 0.07% cobalt, and 0.05% nickel**
- **MTDD048: 22.25m @ 0.23% copper, 0.01% cobalt, and 0.03% nickel**

The Crunch Target is situated between the Kazhiba Dome in the northwest and the Solwezi Dome in the southeast. An analysis of a VTEM electromagnetic survey over the target area suggests that a northeast trending wedge of the Copperbelt strata is crunched between the two domes with apparent interference fold patterns. Ten holes were drilled at the Crunch Zone target area to test a Kansanshi-style target model that resulted in significant geological information.

On April 2, 2025, the Company announced the initiation of exploration across the Solwezi project. This phase of exploration includes an IP survey at the Dumbwa Target, Kazhiba oxide and sulphide drill testing and a Mitu Target partial ionic leach sampling program. The program is designed to advance the scale of known oxide copper mineralization, test a large, brand-new target for sulphide copper mineralization, and advance the Mitu and Dumbwa Targets towards drill testing.

On June 5, 2025, the Company announced the initiation of diamond drilling on the Kazhiba sulphide targets and on July 22, 2025, the Company announced the initiation of reverse circulation drilling with 164 holes designed to test extensions to the Oxide mineralization drilled in 2024 at Kazhiba.

On July 17, 2025, the Company announced the completion of a dipole-dipole IP survey over the Dumbwa Soil Anomaly. The results of this survey correlate well with previous drilling in the area and with the large geochemical soil anomaly. This survey is being used to direct a drill program to target potential sulphide copper mineralization at the Dumbwa Target, with commencement of drilling announced on August 6, 2025

In August and September the Company accelerated drilling of the Dumbwa Target with the addition of a second and third diamond drill rigs. On October 1st, the Company announced initial intercepts at Dumbwa with 39.7 metres of 0.51% copper including 7.0 metres of 1.13% copper returned from hole DBW-25-007 and 25.9 metres of 0.48% copper returned from hole DBW-25-003.

Further results were reported on November 18, 2025, with DBW-25-009 returning 0.98% copper over 15 metres and 0.79% copper over 5.25 metres and hole DBW-25-010 returning 1.0% copper over 22 metres. This drilling effectively expands mineralization intersected to date to a strike length of nearly 1.5 kilometres. As at November 18, 2025 the Company was targeting the Dumbwa Target with five drill rigs, with a sixth expected in early 2026.

Darin Labrenz, P.Geo., a Qualified Person under NI 43-101, has reviewed the technical information contained herein.

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4. SUMMARY OF QUARTERLY RESULTS

The tables 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 2025 \$	June 30 2025 \$	Mar 31 2025 \$	Dec 31 2024 \$
Financial results				
Net loss for period	2,507,479	3,115,236	692,841	1,044,913
Basic & diluted loss per share	0.01	0.02	0.00	0.01
Exploration expenditures	1,760,752	585,453	180,336	468,429
Statement of Financial Position				
Cash	5,758,194	6,394,545	6,719,363	5,310,552
Exploration & evaluation assets	12,957,223	12,957,223	12,957,223	12,957,223
Total assets	23,298,299	23,603,978	23,574,324	21,992,049
Shareholders' equity	22,606,740	23,269,413	23,158,214	21,535,559
	Sept 30 2024 \$	June 30 2024 \$	Mar 31 2024 \$	Dec 31 2023 \$
Financial results				
Net loss for period	608,776	1,301,444	393,808	156,497
Basic & diluted loss per share	0.00	0.00	0.00	0.00
Exploration expenditures	155,831	64,511	34,243	41,705
Statement of Financial Position				
Cash	2,676,390	3,533,058	40,663	23,883
Exploration & evaluation assets	12,957,223	12,957,223	12,957,223	12,957,223
Total assets	22,073,818	22,594,093	13,973,463	13,958,231
Shareholders' equity	21,632,421	22,082,857	13,034,909	13,227,087

Factors which have caused period to period variations in total asset include the availability of equity funding, which is directly linked to working capital items. The Company incurred \$2,526,541 in exploration expenditures during the nine-months period ended September 30, 2025, and \$254,585 during the nine-months period ended September 30, 2024.

5. DISCUSSION OF OPERATIONS

The following discussions address some of the reasons for variations in the quarterly numbers, but as is typical with junior exploration and mining companies there can be significant fluctuation from quarter to quarter. Quarterly results can vary greatly depending on whether the Company is in an active exploration phase or has granted stock options. Activity levels are primarily dependent on the success of the Company's ongoing exploration and evaluation work and the Company's ability to raise funds through equity issuances. The granting of stock options can cause a material variation in net loss on a quarterly basis due to the resulting share-based payment charges which can be significant.

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Overall Performance & Results of Operations

Three Month Period Ended September 30, 2025.

The Company's loss for the three months ended September 30, 2025, was \$2,438,490, or \$0.01 per share, as compared to a loss of \$608,776, or \$0.00 per share for the three months ended September 30, 2024. The increase was primarily a result of increased investor relations expenditures and exploration expenditures completed during the period, alongside share-based payment expense for options granted and vested during the period.

Significant expenses during the three-month period ended September 30, 2025, consisted of accounting and audit fees, \$29,500 (2024 - \$48,990), consulting fees, \$nil (2024 - \$39,176), exploration costs, \$1,760,752 (2024 - \$155,831), investor and shareholder relations, \$323,355 (2024 - \$154,277), legal fees, \$13,518 (2024 - \$12,969), office services and miscellaneous, \$29,720 (2024 - \$10,479), regulatory and transfer agent fees, \$13,946 (2024 - \$7,783), share-based payments, \$1,262 (2024 - \$17,958), and wages and benefits, \$198,467 (2024 - \$389,474).

Nine Month Period Ended September 30, 2025.

The Company's loss for the nine months ended September 30, 2025, was \$6,246,567, or \$0.04 per share, as compared to a loss of \$2,304,028, or \$0.02 per share for the nine months ended September 30, 2024. The change was primarily related to an increase in investor relations fees, exploration expenditures during the period and share-based payments related to options granted and vested during the period.

Major expenses during the nine-month period ended September 30, 2025 consisted of accounting and audit fees of \$108,142 (2024 - \$126,289), consulting fees of \$35,708 (2024 - \$65,504), exploration cost of \$2,526,541 (2024 - \$254,585), wages and benefits of \$863,093 (2024 - \$650,254), office and miscellaneous of \$55,188 (2024 - \$16,476), investor and shareholder relations \$843,248 (2024 - \$369,478), legal fees of \$36,774 (2024 - \$106,792), regulatory and transfer agent fees \$32,217 (2024 - \$35,146), and share-based payments of \$1,587,150 (2024 - \$838,154).

6. LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2025, the Company had \$5,758,194 in cash and held a \$3,000,000 six-month locked GIC maturing December 8, 2025, which had a value of \$3,030,378 inclusive of accrued interest as at September 30, 2025. 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, 2025, the Company had a working capital of \$8,792,922. In the opinion of management this working capital is sufficient to support the Company's continuing general administrative and corporate operating requirements as well as any planned exploration activities.

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.

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As at September 30, 2025, the Company has sufficient cash to meet its needs over the next fiscal year. Accordingly, the Company does not have any current plans to seek additional funding by way of equity financing.

Capital Resources

The Company has sufficient capital to cover its administrative overhead expenses along with any planned exploration activities for the next twelve months.

Use of Proceeds

Since entering into the Earn-in agreement for the Solwezi property, the Company completed the following financings:

- In November 2013, the Company raised \$0.70 million through a private placement
- In May 2014, the Company raised \$0.34 million through a private placement
- In October 2015, the Company raised \$0.29 million through a private placement.
- In January 2016, the Company raised \$0.40 million through a private placement.
- In December 2016, the Company raised \$1.31 million through a private placement.
- In November 2017, the Company raised \$2.70 million through a private placement.
- In May 2018, the Company raised \$1.1 million through a private placement.
- In December 2018, the Company raised \$1.00 million through a private placement.
- In August 2019, the Company raised \$0.33 million through a private placement.
- In May 2020, the Company raised \$1.07 million through a private placement.
- In July 2021, the Company raised \$1.97 million through a private placement.
- In January 2023, the Company raised \$0.93 million through a private placement.
- In May 2024, the Company raised \$10.00 million through a private placement.

The following table sets out a comparison of how the Company used the proceeds following the closing date, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

Intended Use of Proceeds	Actual Use of Proceeds
To advance the Company’s properties and for general and administrative purposes.	To September 30, 2025, the Company incurred a total of \$12,957,223 in mineral property acquisition costs for the Solwezi property, of which \$4,106,667 was share-based. The Company has also accumulated a total of \$12,790,771 in exploration costs on the project. The remaining funds are to be spent on general operating and administrative costs.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones	No material variances are identifiable to the Company. Proceeds have been used as intended and to further acquisition and exploration of the Company’s Solwezi licenses while meeting administrative requirements.

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7. TRANSACTIONS WITH RELATED PARTIES

The Company's related parties at September 30, 2025, consist of 7 officers and directors (and their related companies).

Name of Related Party	Position at September 30, 2025	Nature of transaction
Allan J. Fabbro	Director & CEO	Director
Mathew Mackenzie	Secretary, Executive VP	Corporate secretary
Richard J. Mazur	Director	Director
Wayne Moorhouse	Director	Director
Brett Richards	Director	Director
Robert A. Sibthorpe	Chairman Emeritus & Director	Director
Alastair Brownlow / Red Fern Consulting Ltd.	CFO	Management services

As at September 30, 2025, \$8,405 (December 31, 2024 - \$6,963) is due to officers, directors, or companies with a director in common.

During the period ended September 30, 2025, the Company charged rent of \$34,500 (2024 - \$54,000) to a company related by common directors and officers. During the year ended December 31, 2024, the Company recognized an allowance for doubtful accounts of \$9,000 related to rent recognized during the year ended December 31, 2023. As at September 30, 2025, \$nil (December 31, 2024 - \$nil) is included within receivables from related parties.

Non-current Investments

During the year ended December 31, 2020, the Company purchased 2,500,000 common shares of Red Sea Resources Ltd. ("Red Sea") at a price of \$0.01 per common share for a total of \$25,000. Red Sea, a private company, has common officers and directors as the Company and is in the process of identifying and acquiring exploration and evaluation properties in Egypt. During the year ended December 31, 2020, the Company was granted an additional 800,000 common shares of Red Sea valued at \$0.05 per share for a total of 3,300,000 as a financing fee on the issuance of a USD \$650,000 loan. During the year ended December 31, 2021, the Company was granted an additional 200,000 common shares of Red Sea, valued at \$0.10 per common share on the advance of an additional USD \$100,000 loan for a total of 3,500,000 Red Sea common shares.

During the period ended September 30, 2025, the Company recognized an unrealized gain on investments of \$nil (year ended December 31, 2024 - \$175,000). As at September 30, 2025, the investments were valued at \$0.20 (December 31, 2024 - \$0.20) per common share for a total value of \$700,000 (December 31, 2024 - \$700,000), based on the valuation of recently closed private placements by Red Sea.

Loans and Debenture Receivable

During the year ended December 31, 2020, the Company issued a promissory note to Red Sea in the amount of US\$650,000 without interest, payable on demand. During the year ended December 31, 2021, the Company extended an additional US\$108,990 to Red Sea, resulting in a total loan of US\$758,990 outstanding (\$962,248).

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During the year ended December 31, 2022, the Company entered into an agreement whereby it increased the amount advanced to \$1,331,129 and renegotiated the instrument as a convertible debenture denominated in Canadian dollars, maturing on January 11, 2023, and convertible at \$0.15 per common share. The convertible debenture includes interest of \$63,030 owing at the time of repayment.

During the year ended December 31, 2022, the Company entered into an agreement whereby it increased the amount advanced to \$1,331,129 and renegotiated the instrument as a convertible debenture denominated in Canadian dollars, maturing on January 11, 2023, and convertible at \$0.15 per common share. The convertible debenture includes interest of \$63,030 owing at the time of repayment.

As at September 30, 2025, the Company has taken an allowance for doubtful accounts of \$981,129 (December 31, 2024 - \$981,129) on the Red Sea loans. During the period ended September 30, 2025, a total of \$nil (December 31, 2024 - \$nil) was repaid on the loans and reversed against the allowance for doubtful accounts.

Loans payable

During the year ended December 31, 2023, the Company received an aggregate of \$13,000 in unsecured loans from two officers of the Company. The loans are non-interest bearing and are repayable on demand. During the year ended December 31, 2024, the Company received additional \$73,750 from the two officers under the same terms. During the year ended December 31, 2024, these loans were repaid in full.

8. KEY MANAGEMENT COMPENSATION

Compensation paid or accrued to key management and/or their related companies during the period ended September 30, 2025, and 2024 is as follows:

Nature of Expenditure	For the Nine Month Ended	
	2025	September 30, 2024
Wages, director fees and benefits:		
Allan Fabbro	\$ 234,000	\$ 239,000
Matthew Mackenzie	223,750	180,250
Richard J. Mazur	44,000	27,750
Wayne Moorhouse	59,000	9,000
Brett Richards	34,000	9,000
Robert A. Sibthorpe	28,500	28,500
	<u>623,250</u>	<u>493,500</u>
Accounting fees:		
Alastair Brownlow ¹	58,500	77,000
	<u>58,500</u>	<u>77,000</u>
Geological consulting fees:		
Robert A. Sibthorpe	1,500	15,500
	<u>1,500</u>	<u>15,500</u>
Share-based payments	757,225	393,710
Total	\$ 1,440,475	\$ 979,710

1. Paid to Red Fern Consulting Ltd, a company of which Mr. Brownlow is an associate.

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Key management consists of those individuals having authority and responsibility for, directly or indirectly, planning, directing, and controlling the activities of the Company. Wages are paid to the Company's CEO, Corporate Secretary and Directors and Consulting fees are amounts paid to the consulting firm of which the Company's CFO is an associate.

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. CHANGES IN ACCOUNTING POLICY

No changes in accounting policy were adopted during the period ended September 30, 2025.

New accounting standards issued but not yet effective:

IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18"), which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statements of loss and comprehensive loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company has not yet determined the impact of this amendment on its financial statements.

12. 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

Financial assets

The Company classified its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

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The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of operations and comprehensive loss in the period.

Financial assets at FVTOCI: Financial assets carried at FVTOCI are recorded at fair value and transaction costs are expensed in the statement of operations and comprehensive loss. Realized and unrealized gains and losses arising from changes in fair value of the financial assets held at FVTOCI are included in other comprehensive (loss) income in the period.

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income as they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	Amortized cost
Advances and deposits	Amortized cost
Short-term investments	FVTPL
Loan receivable	Amortized cost
Receivables	Amortized cost

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities - This category includes accounts payable and accrued liabilities which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of operations and comprehensive losses immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

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The following table shows the classification of the Company's financial liabilities under IFRS 9:

<u>Financial liability</u>	<u>IFRS 9 Classification</u>
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities
Loan payable	Other financial liabilities

The carrying value of receivables, loan receivable, short-term investments, accounts payable and accrued liabilities, loan payable, 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, 2025 and September 30, 2024 to interest rate risk through its financial instruments.

Currency Risk

Throughout the year ended December 31, 2024, 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 denominated in US Dollars. A 1% change in the foreign exchange rate between the Canadian and US Dollar would not result in a material fluctuation in the loss for the period.

Credit risk

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. At September 30, 2025, the Company had a \$3,000,000 six-month locked guaranteed interest certificate with a major Canadian financial institution recognized within short-term investments and valued at \$3,030,378 inclusive of accrued interest, for which Management believes the risk of loss to be remote. The Company also has \$261,755 held with a major financial institution in Zambia. Management believes the risk of loss to be remote.

Receivables consist primarily of goods and services tax due from the Government of Canada. The Company considers credit risk associated with these amounts to be low.

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, 2025, the Company had \$5,758,194 cash (December 31, 2024 – \$5,310,552) and current liabilities of \$509,416 (December 31, 2024 - \$211,595).

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.

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Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

13. 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.

The risks and uncertainties described in this section are not inclusive of all risks and uncertainties to which the Company may be subject.

Early Stage – Need for Additional Funds

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.

Political Risk

The Company's operations and investments may be affected by local political and economic developments including: expropriation; nationalization; invalidation of governmental orders; permits or agreements pertaining to property rights; failure to enforce existing laws; failure to uphold property rights; political unrest; labour disputes; limitations on repatriation of earnings; limitations on foreign ownership; inability to obtain or delays in obtaining necessary mining permits; opposition to mining from local, environmental or other non-governmental organizations; government participation; royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations; taxation and changes in laws, regulations or policies; as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Location Risk

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on exploration and evaluation assets.

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Discovery Risk

Resource property acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration, or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal, and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

Environmental Risk

Environmental laws and regulations may affect the operations of Midnight Sun. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damages caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. The Company intends to minimize these risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards.

Price Risk

The market price of precious metals and other minerals is volatile and cannot be controlled.

Conflicts

The Company's directors and officers serve as directors or officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

Dependence on Key Personnel

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Competitive Risk

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

14. COMMITMENTS

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

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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.

16. DISCLOSURE OF OUTSTANDING SHARE DATA

The table below presents the Company's common share data as of December 1, 2025.

	Price	Expiry date	December 1, 2025
Common shares issued and outstanding			213,739,890
Securities convertible into common shares:			
Stock Options	\$0.31	April 28, 2026	200,000
	\$0.165	August 12, 2027	2,950,000
	\$0.21	March 10, 2028	2,150,000
	\$0.225	May 9, 2029	3,800,000
	\$0.33	June 19, 2029	550,000
	\$0.60	June 2, 20230	3,450,000
Total Options			13,100,000
Warrants	\$0.33	May 22, 2027	32,649,432
	\$0.33	May 22, 2027	627,324
	\$2.00	October 28, 2027	11,287,250
	\$1.35	October 28, 2027	1,354,470
Total Warrants			45,918,476
Total options & warrants outstanding			59,018,476

17. 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. These Financial Statements are available on SEDAR+ at www.sedarplus.com.

18. 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 have 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.

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19. 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.sedarplus.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.

20. ADDITIONAL INFORMATION

Additional information is available on SEDAR+ at www.sedarplus.com.