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Midnight Sun Mining Corp. Announces Private Placement

Vancouver, British Columbia, October 3, 2016 -- Midnight Sun Mining Corp. (the "Company" or "Midnight Sun") (TSX-V: **MMA**) announces a non-brokered private placement of up to 8,000,000 units (the "Units") at a price of \$0.10 per Unit for gross proceeds of \$800,000 (the "Offering"). Each Unit will consist of one (1) common share ("Common Share") in the capital of the Company and one (1) Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share of the Company for a period of twenty-four months from the closing of the Offering at an exercise price of \$0.20. The net proceeds from the Offering will be used by the Company to fund work commitments on its optioned Zambian mineral exploration permits as well as general working capital. The Company intends to close the Offering as soon as practicable.

The Offering, including the future issuance of the Common Shares and Warrants, is subject to the final approval of the TSX Venture Exchange. All securities issued will be subject to a hold period of four months and one day pursuant to applicable securities laws.

Amendment to Option Agreement

Kam Chuen Resource Holdings Ltd. ("Kam Chuen") has agreed to an amendment to the original Solwezi option agreement (the "Agreement"), whereby the total \$3,666,667 of work expenditures originally due to be completed in several tranches, are now due to be completed in totality by December 6, 2018. In exchange for this, Midnight Sun has agreed to immediately issue the remaining 10,000,000 shares due to Kam Chuen under the Agreement. If this share issuance will create a new control position, Midnight Sun will hold a vote of disinterested shareholders as per TSX Venture rules. A material change report is available on www.sedar.com.

Private Placement

ON BEHALF OF THE BOARD

Robert Sibthorpe
President & CEO

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