



Midnight Sun Discovers “Ore Shale”-Type Copper-Cobalt-Nickel-Gold Mineralization on Solwezi Properties

Vancouver, British Columbia, January 12, 2017 - Midnight Sun Mining Corp. (the "Company" or "Midnight Sun") (TSX-V: MMA) announces results of recently completed core drilling on the Mitu and Dumbwa Central areas of its optioned Solwezi copper-cobalt-nickel-gold properties in northwest Zambia. The drill program consisted of 1916.9 meters of HQ/NQ core drilled in 15 holes and 2581.5 meters in 95 shallow Air Core drill holes. Significant mineralization was reported in numerous holes including:

- 1.03% copper, 0.139% cobalt, 0.041% nickel and 63 ppb gold (1.933% copper equivalent*) over 11.0 meters (9.4 estimated true width) in hole MDD-16-09**
- 1.22% copper, 0.094% cobalt and 0.048% nickel and 129 ppb gold (1.863% copper equivalent*) over 8.0 meters estimated true width in hole MDD-16-01**
- 0.49% copper, 0.028% cobalt and 0.047% nickel (0.743% copper equivalent*) over 30.3 meters estimated true width*** and 0.497% copper, 0.021% cobalt and 0.029% nickel (0.675% copper equivalent*) over an estimated 9.0 meters in hole MDD-16-06
- 0.82% copper, 0.029% cobalt and 0.051% nickel (1.251% copper equivalent*) over 32.9 meters (28.0 meters estimated true width) in hole MDD 16-11***
- 1.02% copper, 0.033% cobalt and 0.059% nickel (1.332% copper equivalent*) over an estimated true width of 13.5 meters in hole MAC-16-01***
- 0.80% copper, 0.050% cobalt and 0.089% nickel (1.256% copper equivalent*) over an estimated true width of 9 meters in hole MAC-16-02***

*Copper equivalents were calculated using current metal price ratios and are presented only for ease of interval comparison among drill intercepts as recovery factors for various metals may vary significantly. Metallurgical work is in progress. Metal prices used were \$2.50/lb copper, \$14.83/lb cobalt, \$4.58/lb nickel and \$1175/oz gold.

** The higher grade zones in MDD-16-09 and MDD-16-01 were assayed to test for the presence of gold. Additional re-assaying for gold in other intervals is in progress.

*** Denotes near surface oxide mineralization.

- ppb = parts per billion

Mitu

The Mitu area was targeted for drilling as a potential location of ore shale type base metal mineralization based on evidence from geochemical and geological surveys conducted by the Company and previous operators between 2010 and 2015. Ore shale mineralization is the dominant form of copper, cobalt and nickel deposition in the Zambia-Congo Copperbelt, the largest single copper production area in the world. Mineralization is associated with shale units which form chemical and physical “traps” for base metals at or near the favourable contact between the Upper and Lower Roan

units. This contact zone along the western flank of the Solwezi Dome extends for over 17 kilometers on the Company's License areas.

The 12-hole diamond drill program covered an area of 300 meters on strike direction and 400 meters of down dip extent. All holes encountered shale units with base metal sulfide mineralization at maximum vertical depths to 184 meters. This mineralization is overlain by a mantle of weathered overburden averaging approximately 38 meters in depth, hosting copper, cobalt and nickel in oxide form.

The 45 Air Core Holes covered a strike length of 1200 meters, and returned significant results over this length. Some of the significant results from the 2016 Mitu drill program are presented in the Table below.

Mitu Area Drill Results 2016												
Hole	Az	Dip	TD m	From m	To m	Interval m	Est True m	Copper %	Cobalt %	Nickel %	Copper Eq ^a %	Zone
MDD 16-11 and	0	90	98.6	7.1 71.0	40 88.8	32.9 17.8	28.0 15.1	0.817 0.253	0.029 0.016	0.051 0.031	1.251 0.403	Oxide Sulfide
MDD 16-6 and	20	60	80.6	0 62.6	35.6 71.6	35.6 9.0	30.3 9.0	0.490 0.497	0.028 0.021	0.047 0.029	0.743 0.675	Oxide Sulfide
MDD 16-9 and incl	0	90	185.6	16.1 71.6 139.6	24.1 150.6 150.6	8.0 79.0 11.0	6.8 67.2 9.4	0.245 0.287 1.034	0.017 0.028 0.139	0.063 0.026 0.041	0.453 0.502 1.933	Oxide Sulfide Sulfide
MDD 16-1 and and	20	60	317.6	4.1 99.6 104.6	28.1 113.6 112.6	28.1 14.0 8.0	28.1 14.0 8.0	0.222 0.851 1.223	0.004 0.069 0.094	0.044 0.047 0.048	0.361 1.030 1.863	Oxide Sulfide Sulfide
MDD 16-2 and and	20	60		4.1 47.1 85.1	28.1 62.6 95.6	24.0 15.5 10.5	24.0 15.5 10.5	0.320 0.154 0.332	0.390 0.015 0.019	0.060 0.024 0.031	0.660 0.289 0.504	Oxide Sulfide Sulfide
MDD 16-10 and and and and and and and	0	90	194.6	28.5 42 62.6 103.6 123.6 149.6 167.3 178.6	40.5 51 83.6 113.8 127.3 155.6 174.7 184.1	12.0 9.0 21.0 10.5 3.7 6.0 7.4 5.5	10.2 7.7 17.9 8.9 3.1 5.1 6.3 4.7	0.205 0.208 0.210 0.317 0.242 0.202 0.226 0.256	0.018 0.027 0.013 0.028 0.014 0.013 0.010 0.023	0.058 0.023 0.065 0.043 0.017 0.014 0.027 0.041	0.420 0.408 0.406 0.562 0.354 0.304 0.337 0.469	Oxide Oxide Oxide Sulfide Sulfide Sulfide Sulfide Sulfide
MAC 1 incl	0	90	31.5	0 16.5	31.5 30.0	31.5 13.5	31.5 13.5	0.541 1.022	0.021 0.035	0.036 0.059	0.731 1.332	Oxide Oxide
MAC 2 incl	0	90	30.0	0 21.0	30 30.0	30.0 9.0	30.0 9.0	0.380 0.797	0.023 0.050	0.042 0.089	0.590 1.256	Oxide Oxide
MAC 6	0	90	40.5	4.5	33	28.5	28.5	0.263	0.026	0.034	0.482	Oxide
MAC 9	0	90	25.5	12	31.5	19.5	19.5	0.217	0.028	0.391	1.099	Oxide
MAC 14	0	90	54.0	4.5	54	49.5	49.5	0.148	0.038	0.062	0.489	Oxide
MAC 7 and	0 0	90 90	42.0	10.5 21.0	31.5 37.5	21.0 16.5	21.0 16.5	0.218 0.217	0.022 0.017	0.047 0.106	0.432 0.513	Oxide Oxide
MAC 22 and	0 0	90 90	40.5	28.5 7.5	40.5 18.0	12.0 10.5	12.0 10.5	0.205 0.103	0.018 0.023	0.058 0.030	0.420 0.291	Oxide Oxide
MAC 47	0	90	30.0	16.5	28.5	12.0	12.0	0.328	0.024	0.049	0.554	Oxide
MAC 4	0	90	22.5	4.5	18	13.5	13.5	0.203	0.027	0.054	0.462	Oxide

Notes;
 True widths were estimated by cross section analysis.
 Copper equivalents were calculated on recent relative metal price ratios. The metals may have different recovery factors and copper equivalents have been included for ease of comparison only.
 MDD = Diamond drill hole (HQ and NQ).
 MAC= Air Core drill hole through overburden. 1.5 meter sample intervals.

The Company considers the Mitu area to be a priority target for further work. Geochemical work and geophysical surveys to detect the presence of conductive shale units along the favourable trend are planned for the spring of 2017 with follow up drilling at the conclusion of the rainy season. Metallurgical work to establish target mineralogies and recovery factors is in progress now and higher grade samples are being checked for gold values.

Dumbwa

The Company completed three diamond drill holes and 50 Air Core Holes in the Dumbwa Area within the Solwezi Dome. Some of the significant intercepts are provided in the Table below;

Dumbwa Area Drill Results 2016											
Hole	Az	Dip	TD m	From m	To m	Interval m	Est True m	Copper %	Cobalt %	Copper Eq* %	Zone
DCAC16-3 incl	0	90	24.0	0 0	16.5 10.5	16.5 10.5	16.5 10.5	0.410 0.547	0.009 0.011	0.463 0.631	Oxide
DCAC16-4	0	90	18.0	0	18.0	18.0	18.0	0.603	0.009	0.654	Oxide
DCAC16-13 incl	0	90	25.5	0 0	18.0 6.0	18.0 6.0	18.0 6.0	0.458 0.957	0.010 0.014	0.515 1.042	Oxide
DCAC16-15 incl	0	90	21.0	0 0	21.0 9.0	21.0 9.0	21.0 9.0	0.362 0.648	0.010 0.014	0.423 0.730	Oxide
DCAC16-20	0	90	16.5	0	16.5	16.5	16.5	0.408	0.009	0.459	Oxide
DCAC16-35	0	90	13.5	0	13.5	13.5	13.5	0.546	0.019	0.654	Oxide
DCAC16-39 incl	0	90	22.5	0 0	12.0 6.0	12.0 6.0	12.0 6.0	0.646 1.059	0.012 0.013	0.716 1.175	Oxide
DCAC16-40 incl	0	90	18.0	0 0	18.0 9.0	18.0 9.0	18.0 9.0	0.595 0.973	0.009 0.011	0.646 1.039	Oxide
DCAC16-41 incl	0	90	16.5	0 3	16.5 15.5	16.5 7.5	16.5 7.5	0.519 0.727	0.011 0.012	0.584 0.799	Oxide
DDD16-1 incl	0	90	116.6	77 77	95.6 86.6	18.6 9.6	18.6 9.6	0.385 0.575	0.013 0.010	0.474 0.642	Oxide
DDD16-3	0	90	92.6	0	4.1	22.1	18.0	0.564	0.009	0.615	Oxide

Notes;
 True widths were estimated by cross section analysis.
 Copper equivalents were calculated on recent relative metal price ratios. The metals may have different recovery factors and copper equivalents have been included for ease of comparison only.
 Metal values used were \$2.50/lb Cu and \$14.83/lb Co
 DDD= Diamond drill hole (HQ and NQ).
 DCAC= Air Core drill hole through overburden. 1.5 meter sample intervals.

Three diamond drill holes focused on extending the sulfide copper zone detected at Dumbwa in 2015 with hole DC15-03 which reported 0.88% copper over an estimated true width of 7.8 meters. Hole DC16-01 located 50 meters south of this hole reported 0.575% copper over an estimated true width of 9.6 meters. As at Mitu and 22 Zone, the Dumbwa area is covered by a mantle of copper-cobalt bearing overburden and metallurgical work on this material is in progress.

22 Zone

Further drilling on MMA's primary Solwezi properties target, the 22 Zone, was deferred by the Company pending receipt of the results of previously announced due diligence investigations by First Quantum Minerals. Midnight Sun will publicly disclose any material results of the investigation or any material change in their relationship with First Quantum Minerals.

Highlights from previously reported drilling on the 22 Zone include;

- 5.71% copper over 14.2 meters, including 9.58% copper over 7.2 meters
- 5.08% copper over 8.0 meters; and
- 6.27% copper over 4.5 meters.

Note: The above reported lengths are intercept lengths and not estimated true widths

All drilling in the 2016 program was carried out by Blu Rock Drilling of Kitwe, Zambia and assaying was performed by Genalysis Laboratory Services, an internationally accredited lab.

Qualified Control/Quality Assurance: Samples obtained during core drilling were transported directly to Genalysis Laboratory Services in Chingola, Zambia by Midnight Sun personnel for sample preparation. Samples were sorted, dried, crushed, and pulped before being sent to Perth, Australia for final chemical analysis using ICP-MS methods. All samples returning >10,000 ppm Cu were automatically re-checked by Genalysis. Genalysis is a fully accredited Laboratory and sample duplicates, standards and blanks were inserted by Midnight Sun personnel and by Genalysis.

Qualified Person: Richard Mazur, P.Geo., a Qualified Person under NI 43-101, has reviewed and approved the technical data and contents of this release. Mr. Mazur is a Director of the Company and, as such, is not independent.

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