

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Northern Sun Mining Corp.
130 Adelaide Street West
Suite 3420
Toronto, ON M5H 3P5

Item 2 Date of Material Change

January 21, 2016

Item 3 News Release

A news release was issued by Northern Sun Mining Corp. (the “**Company**”) on January 21, 2016 and distributed through Newsfile and filed on SEDAR.

Item 4 Summary of Material Change

The Company has announced that it has signed a definitive agreement ("Definitive Agreement"), subject to approval by shareholders and the TSX Venture Exchange, for the acquisition by Regal Silver Investments Ltd. of all of the common shares of the Company (the “Shares”) not owned by the approximately 59.6% majority shareholder, Jilin Investment International Limited or its affiliates (“JIIL”). Pursuant to the Definitive Agreement, the Shares would be acquired for a cash consideration from all shareholders of the Company other than JIIL through a court-approved plan of arrangement under the *Business Corporations Act* (Ontario) at a price of \$0.05 per Share which represents a 25% premium to the current market price.

Item 5 Full Description of Material Change

See attached news release.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7 Omitted Information

Not Applicable.

Item 8 Executive Officer

Contact: James Xiang, Interim Chief Executive Officer & President
Telephone: (647) 494-3811

Item 9 Date of Report

January 22, 2016

Schedule “A”



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Ontario, Canada, M5H 3P5
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**Northern Sun Announces Proposed Acquisition of Minority Shareholders'
Common Shares by a Plan of Arrangement**

Toronto, Ontario – January 21, 2016 – Northern Sun Mining Corp. (the “**Company**” or “**Northern Sun**”) (TSX-V: NSC) is pleased to announce that the Company has signed a definitive agreement (the “**Definitive Agreement**”), subject to approval by shareholders and the TSX Venture Exchange (the “**Exchange**”) for the acquisition (the “**Acquisition**”) by Regal Silver Investments Ltd. (“**Regal Silver**”) of all of the common shares of the Company (the “**Shares**”) not owned by the approximately 59.6% majority shareholder, Jilin Investment International Limited or its affiliates (collectively, “**JIL**”). Pursuant to the Definitive Agreement, the Shares would be acquired for a cash consideration from all shareholders of the Company other than JIL (the “**Minority Shareholders**”) through a court-approved plan of arrangement under the *Business Corporations Act* (Ontario) at a price of **\$0.05 per Share** which represents a 25% premium to the current market price.

Mr. James Xiang, the Interim President, Chief Executive Officer, and a director of the Company, commented; “Our board and management believe that the Acquisition provides an opportunity for the Company’s shareholders to realize full liquidity competitive to the market price of the Shares. Considering the low liquidity of our stock, the generally challenging financial environment for junior mining companies, the extensive debt of the Company which is now at maturity, and the difficulties facing the Company in obtaining short and long-term financing for the Company to remain in operation, we believe that this transaction provides the best opportunity for shareholders.”

In considering whether to sign the Definitive Agreement, the board of directors of the Company engaged an independent financial advisor, Ross Glanville & Associates Ltd. (the “**Advisor**”) and the Advisor has provided a fairness opinion that based upon and subject to certain assumptions, limitations, restrictions and qualifications, the proposed Acquisition is fair to the Minority Shareholders from a financial point of view. The Company intends to call a special meeting of its shareholders (the “**Meeting**”) to be held on March 14, 2016 at the offices of its corporate solicitors, Boughton Law, located at Suite 700 – 595 Burrard Street, Vancouver, British Columbia, to seek approval for the Acquisition from the shareholders and Minority Shareholders in particular. The record date for voting at the Meeting is expected to be February 8, 2016. The Acquisition must be approved by (i) at least 66⅔% of the votes cast on a special resolution by shareholders present in person or represented by proxy at the meeting voting, and (ii) a simple majority of the votes cast by Minority Shareholders present in person or represented by proxy at the Meeting. Upon completion of the Acquisition, the Company would be delisted from the Exchange and would cease to be a reporting issuer. The proposed Acquisition and related transactions will be more fully described in a management information circular and related proxy materials that will be distributed to shareholders and filed on SEDAR in advance of the Meeting in accordance with applicable corporate and securities laws.

The Acquisition is subject to certain customary conditions, including among other conditions, approval by the Superior Court of Justice of Ontario (Commercial List), and applicable regulatory approvals, including the Exchange. The Definitive Agreement includes customary representations, warranties and covenants and deal protections provisions. Northern Sun has agreed not to solicit any alternative transactions and to pay a break fee equal to \$100,000 in certain specified circumstances. In addition, Northern Sun has granted Regal Silver a right to match any competing offer. In accordance with the Definitive Agreement, the closing of the transaction must occur by no later than April 30, 2016.

As described in its news release dated December 7, 2015, the Company has suspended custom milling operations at the Company's Redstone Mill in Timmins, Ontario. Operations were suspended earlier last month with process concentrate inventories currently being prepared for final shipment. Likewise, although the Company has identified further exploration potential on its properties, market conditions remain very challenging to provide support for such exploration. In addition, as of September 30, 2015, the Company owed over \$153,479,166 as secured debt owing to its controlling shareholder, JIIL, which has a maturity date of December 31, 2015. However, the Acquisition is subject to JIIL agreeing to extend the maturity date to December 31, 2016 and forgive any default or breach of such loans or other indebtedness owed by the Company that may have occurred up to and including the date of the Definitive Agreement.

Mr. James Xiang, the Interim President, Chief Executive Officer, and a director of the Company, is also the Chief Executive Officer of JIIL, Mr. Shu Zhang, a director of the Company, is also a director of JIIL, and Mr. Hoadong Li, a director of the Company, is Deputy Director of Jilin Jien Nickel Industry Co. Ltd., which is the parent company of JIIL. Consequently, each of Mr. Xiang, Mr. Zhang, and Mr. Li have an interest in the downstream transactions in connection with the proposed Acquisition and the extension of the loans, by virtue of their roles with JIIL and its affiliates. Each of Mr. Xiang, Mr. Zhang, and Mr. Li are in support of the proposed Acquisition and related transactions. Pursuant to the Definitive Agreement, certain directors, officers and shareholders of the Company (including JIIL) holding an aggregate of approximately 59.6% of the Shares have agreed to support the Acquisition and each has entered into a support agreement with Regal Silver to vote their Northern Sun securities in favour of the resolutions to be passed at the Meeting.

Under the present circumstances of the Company, the Company believes, as supported by the opinion of its independent Advisor, that the Acquisition would be fair to the Minority Shareholders and it recommends that the shareholders of the Company approve the proposed Acquisition.

Regal Silver is a private company existing under the laws of the Province of Ontario and is an arm's length third party not related to JIIL or the Company. JIIL is a private company existing under the laws of the Province of Ontario, which is a wholly-owned subsidiary of Jilin Jien Nickel Industry Co. Ltd. JIIL owns 59.6% of the issued and outstanding Shares in the capital of the Company and is owed over \$153,479,166 as secured debt of the Company. Consequently, JIIL is a related party to the Company.

About Northern Sun Mining Corp.

Northern Sun owns the Redstone Mill which it has operated since 2007. The Mill was originally designed with milling capacity capable of processing 1500 tonnes per day ("tpd") of ore. The Redstone Mill currently completed a contract with Wallbridge utilizes slightly more than half of the mills capacity or about 800 tpd of ore. The Redstone Mill produced two products from the Wallbridge Copper-PGE ore; a copper concentrate which was sent to a third party copper smelter, and a precious metal concentrate which is processed by a third party precious metal refinery.

Northern Sun also owns two former producing nickel mines and a large, prospective, land package in the Shaw Dome area, a prospective nickel belt near Timmins, Ontario.

Heather Miree, P. Geo., is a Qualified Person as such term is defined under National Instrument 43-101 and has reviewed and approved the technical information related to geology and exploration in this news release.

For further information:

Please visit our website at www.northernsunmining.ca; follow us on Facebook, LinkedIn or Twitter @NorthernSunMine; or contact:

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This communication does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Northern Sun, nor shall there be any sale or exchange of securities in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction. The distribution of this communication may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions.

Forward-Looking Information

Except for statements of historical fact relating to the Company, certain information contained herein constitutes “forward-looking information” under Canadian securities legislation. Such forward-looking information includes, but is not limited to, statements with respect to the potential completion and timing of the Acquisition and the potential benefits to the parties thereto and the Shareholders. Generally, forward-looking information can be identified by the use of forward-looking terminology 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”. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Statements with respect to the potential completion and timing of the Acquisition and the potential benefits to the parties thereto and the Minority Shareholders are subject to the risk of not obtaining all required approvals, including from the court and the Local Exchange. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.