

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Midnight Sun Mining Corp.
Suite 910 – 475 Howe Street
Vancouver, BC V6C 2B3

Item 2 Dates of Material Change

August 16, 2011

Item 3 News Release

The press release was disseminated on August 16, 2011 through Marketwire.

Item 4 Summary of Material Change

Vancouver, British Columbia, August 16, 2011 – **Midnight Sun Mining Corp.** (the “Company”) (TSX-V: **MMA**) is pleased to announce that it has entered into an agreement dated July 28, 2011 (the “Agreement”) with Logwood Investments Inc., a closely held Namibian Corporation at arms length to the Company (the “Optionor”), whereby the Company has acquired the option (the “Option”) to earn a 60% interest in certain mineral properties in Namibia (the “Properties”). In order to exercise the Option, the Company is required to incur \$5,000,000 of work expenditures on the Properties over 4 years, \$1,350,000 of which is a firm commitment to be spent within the first 18 months. Under the terms of the Agreement, the Company is also to issue to the Optionor a total of 10,000,000 common shares of which 1,000,000 are to be issued upon receipt of all necessary regulatory approvals, 3,000,000 are to be issued within 18 months and another 6,000,000 are to be issued within 36 months.

In order to finance its initial work commitments on the Properties, the Company proposes to carry out a non-brokered private placement of eight million units at \$0.20 per unit with each unit comprising one common share of the Company and one-half share purchase warrant with one whole warrant entitling the holder to purchase one further common share at a price of \$0.30 for a period of 18 months.

In connection with the entering into of the Agreement, the Company proposes to appoint Mr. Youwei (Tam) Ye, the managing director of the Optionor, to its Board of Directors.

Item 5 Full Description of Material Change

See attached press release for details.

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

Al Fabbro
President & CEO
Tel: 604-602-4935

Item 9 Date of Report

August 16, 2011



NEWS RELEASE

MIDNIGHT SUN ACQUIRES OPTION OVER NAMIBIAN COPPER-SILVER PROPERTIES, ANNOUNCES PRIVATE PLACEMENT

Vancouver, British Columbia, August 16, 2011 – **Midnight Sun Mining Corp.** (the “Company”) (TSX-V: **MMA**) is pleased to announce that it has entered into an agreement dated July 28, 2011 (the “Agreement”) with Logwood Investments Inc., a closely held Namibian Corporation at arms length to the Company (the “Optionor”), whereby the Company has acquired the option (the “Option”) to earn a 60% interest in certain mineral properties in Namibia (the “Properties”). In order to exercise the Option, the Company is required to incur \$5,000,000 of work expenditures on the Properties over 4 years, \$1,350,000 of which is a firm commitment to be spent within the first 18 months. Under the terms of the Agreement, the Company is also to issue to the Optionor a total of 10,000,000 common shares of which 1,000,000 are to be issued upon receipt of all necessary regulatory approvals, 3,000,000 are to be issued within 18 months and another 6,000,000 are to be issued within 36 months.

Klein Aub Copper-Silver Property Namibia

The seven optioned Properties comprise 3,750 square kilometers of Exclusive Prospecting Licences (EPL) in Namibia. The northern group of three properties (1,000 sq km) are located 90 km south of the capital city of Windhoek and include the past producing Klein Aub Mine. During 1966-1986 this mine produced 211,923 tonnes of copper concentrates grading between 45% and 56% copper and 700-1100 grams per tonne silver. The mine closed down due to low copper prices and there is a historical resource and extensive tailings remaining on the property. The deposit has been classified as a stratiform sediment-hosted copper deposit with geological characteristics similar to the large copper deposits in the Zambian Copper Belt and the Kupferschiefer mining area in Europe. Mineralization at Klein Aub consists mainly of chalcocite with up to 50 grams per tonne of associated silver. Numerous mineral occurrences and exposures of favorable geology on the EPLs suggest that the area may host significant additional tonnage of copper-silver mineralization. The southern group of four EPLs comprise 2,750 sq km and warrant exploration activity due to favorable geology and their proximity to the producing Rosh Pinah zinc-lead mine.

Private Placement and Board Appointment

In order to finance its initial work commitments on the Properties, the Company proposes to carry out a non-brokered private placement of eight million units at \$0.20 per unit with each unit comprising one common share of the Company and one-half

share purchase warrant with one whole warrant entitling the holder to purchase one further common share at a price of \$0.30 for a period of 18 months.

In connection with the entering into of the Agreement, the Company proposes to appoint Mr. Youwei (Tam) Ye, the managing director of the Optionor, to its Board of Directors. Mr. Ye is a business consultant and managing director of several junior exploration companies and real estate companies in Southern Africa. Prior to his role as an entrepreneur, he served as a financial analyst in the consulting industry with Hay Group, as a consultant in the project management office for Toyota and as a Treasury Analyst for the Salvation Army. Mr. Ye earned his Bachelor of Business Administration, Finance degree from the University of Toronto. Mr. Ye will join Robert Sibthorpe, Al Fabbro, Richard Mazur and James Stephen on the Board of Directors.

Logwood Investments (Pty) Ltd

The Ye family immigrated to South Africa during the 1990's and, throughout the past two decades, has built successful businesses across southern Africa in the retail, hospitality, real estate and mining sector. Registered in 2009, Logwood Investments (Pty) Ltd is a branch of the family's expansion in the Africa mining sector. Logwood is primarily focused in uncovering the potential of Namibia's natural resources. In 2009, Logwood acquired a total of 374,974 hectares of exploration rights. With the support of The First Geological Institute of the China Metallurgy Geological Bureau, Logwood has been developing the potential of the Namibian Copper properties. Richard Mazur (P.Geo.) is the "Qualified Person" who has reviewed the contents of this News Release.

The Agreement and the Private Placement remain subject to receipt of all necessary regulatory approvals, including the acceptance of the TSX Venture Exchange.

ON BEHALF OF THE BOARD

Al Fabbro
President & CEO

For further information contact:

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President & CEO
Tel: 604-602-4935

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