# Resource Company Report: Midnight Sun Mining Corp.

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| **Report Date** | August 12, 2026 | **Company Type** | Copper Explorer (Zambia) |
| **Company Name** | Midnight Sun Mining Corp. | **Stock Symbol** | MDNGF (OTCQX) / MMA (TSXV) |
| **Flagship Project** | Dumbwa Cu (Solwezi, Zambia) – 100% owned | **Market Cap (approx.)** | ~C$145 million / ~US$105 million |
| **Dumbwa Strike** | 6.7 km continuous near-surface sulphide Cu | **Kazhiba Main Resource** | 2.33 Mt @ 1.41% Cu Indicated |
| **Drilling to Date** | >260 holes / >56,855 m at Dumbwa | **CEO** | Al Fabbro |
| **Business Model** | Discovery-focused copper explorer; potential oxide monetization | **No Production** | Explorer – no AISC or operating mines |

## 1. Company Overview & Investment Thesis

Midnight Sun Mining Corp. (TSXV: MMA; OTCQX: MDNGF) is a Canadian-listed copper exploration company focused on its Solwezi District properties in Zambia, located in the prolific Zambian Copperbelt near Kansanshi and Lumwana. The flagship Dumbwa deposit has been expanded by continuous drilling to 6.7 kilometres of near-surface sulphide copper mineralization (from earlier 5.3 km), with more than 260 holes and 56,855 metres completed and five rigs still active. A maiden Indicated resource of 2.33 Mt grading 1.41% Cu has been defined at the near-surface Kazhiba Main oxide copper deposit. Market capitalization is approximately C$145 million. CEO is Al Fabbro. As a pure explorer, Midnight Sun has no production and no AISC.

**Investment Thesis:** Midnight Sun offers leveraged exposure to a rapidly expanding near-surface copper system (Dumbwa) in a premier African copper jurisdiction, with a defined oxide resource (Kazhiba) that may offer near-term monetization optionality. Continuous strike expansion and the scale of the copper-in-soil anomaly provide discovery upside. Key risks include exploration success rates, the need for a future resource estimate and economic studies at Dumbwa, copper price volatility, and the small absolute market capitalization and liquidity typical of junior explorers. Relative to producing copper companies, MDNGF ranks substantially higher risk as a pure exploration vehicle.

## 2. Mining and Development Projects

Midnight Sun does not operate mines. Its portfolio is centered on the Dumbwa sulphide copper system and the Kazhiba Main oxide copper resource in the Solwezi District of Zambia.

### 2.1 Dumbwa Copper Deposit (Flagship – 100% Owned)

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| **Location / Ownership** | Solwezi District, Zambia – 100% Midnight Sun; near Kansanshi and Lumwana |
| **Metals / Interest** | Copper – near-surface sulphide mineralization; basement-hosted system |
| **Status** | Active multi-rig drill program; continuous near-surface sulphide copper confirmed over 6.7 km of strike (expanded from 5.3 km); >260 holes / >56,855 m completed; Phase One expected to conclude Q3 2026 |
| **Key Metrics / Work** | Recent intercepts include 21.6 m @ 0.42% Cu, 13.7 m @ 0.51% Cu, 25.0 m @ 0.38% Cu; system described as 6.7 km long and 600–1,000 m wide; high-resolution magnetics identifying new targets for Phase 2 |
| **Notes** | Core value driver; large-scale near-surface copper system in a world-class belt |
| **Outlook / Catalysts** | Completion of Phase One, resource estimation, and Phase 2 testing of new magnetic targets are primary near- to medium-term catalysts |

### 2.2 Kazhiba Main Oxide Copper & Other Targets

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| **Location / Ownership** | Solwezi District, Zambia – 100% owned; near-surface oxide copper; additional targets including Mitu |
| **Metals / Interest** | Copper – oxide (acid-soluble) near-surface mineralization |
| **Status** | Maiden Indicated Mineral Resource Estimate (effective January 20, 2026): 2.33 Mt @ 1.41% Cu (0.10% Cu cut-off); ~72.4 Mlb contained Cu; average depth ~30 m |
| **Key Metrics / Work** | Oxide material is near-surface and potentially amenable to early monetization (e.g., toll treatment or offtake arrangements with nearby operations) |
| **Notes** | Provides defined resource and potential near-term cash-flow optionality distinct from the larger sulphide system at Dumbwa |
| **Outlook / Catalysts** | Any advancement of oxide monetization studies or offtake discussions; continued work on parallel oxide and sulphide targets |

## 3. Exploration & Development Activity

Near-term focus is completion of the Phase One drill program at Dumbwa (remaining ~12,500 m expected to conclude in Q3 2026), receipt and interpretation of outstanding assays, high-resolution magnetic survey expansion across the ~20 km copper-in-soil anomaly, and initiation of Phase 2 drilling on new targets. Parallel evaluation of Kazhiba oxide monetization options continues. Success metrics are continued strike and grade continuity at Dumbwa, a future maiden resource estimate, and any concrete steps toward oxide cash-flow generation.

## 4. Management and Board of Directors

### Management

| Name | Title | Notes | Experience / Focus |
|---|---|---|---|
| Al Fabbro | President & CEO | Leadership | Overall strategy, Dumbwa advancement and capital allocation |
| Technical / exploration team | Exploration & geology | Technical | Multi-rig drill programs, resource definition and targeting at Dumbwa and Kazhiba |

### Board of Directors

| Name / Group | Role | Key Background |
|---|---|---|
| Board (collective) | Governance | Oversight of exploration strategy, capital structure and risk |
| Independent directors | Oversight | Mining, exploration and capital-markets experience |

## 5. Financial Information

Midnight Sun is a pre-revenue exploration company. Market capitalization is approximately C$145 million (roughly US$105 million). Shares outstanding are in the ~217 million range. The company is funding an aggressive multi-rig drill program at Dumbwa and related technical work. Exact current cash balances should be confirmed from the latest financial statements. No production revenue or AISC applies.

### Capital / Project Summary

| Line Item | Amount / Notes |
|---|---|
| Market capitalization (approx.) | ~C$145 million / ~US$105 million |
| Shares outstanding (approx.) | ~217 million |
| Dumbwa drilling completed | >260 holes / >56,855 m |
| Dumbwa continuous strike | 6.7 km near-surface sulphide copper |
| Kazhiba Main Indicated Resource | 2.33 Mt @ 1.41% Cu (~72.4 Mlb contained) |
| Primary jurisdiction | Zambia (Solwezi District / Copperbelt) |

### Corporate Summary

| Item | Value / Notes |
|---|---|
| Primary listings | TSXV (MMA); OTCQX (MDNGF) |
| CEO | Al Fabbro |
| Flagship | Dumbwa copper (Zambia) |
| Strategy | Define large-scale copper system; evaluate oxide monetization |

## 6. Company Valuation

At a market capitalization of approximately C$145 million, Midnight Sun trades as a mid-cap junior copper explorer with a rapidly expanding near-surface system and a defined oxide resource. Valuation is driven by the perceived scale of Dumbwa, the quality of drill results, the optionality of Kazhiba, and peer comparisons within the African copper exploration space.

**Discounted NPV discussion:** Traditional mine NPV does not yet apply. A practical framework assigns probability-weighted values to a future Dumbwa resource (based on strike length, thickness, grade and peer multiples) and to the Kazhiba oxide resource (potential early cash flow), then adjusts for cash and corporate costs. Key sensitivities are continued drill success, copper prices, and the path to a maiden resource and economic studies. Completion of Phase One, a resource estimate, and any oxide monetization progress are the primary near- to medium-term valuation catalysts.

## Merger & Acquisition Activity

Midnight Sun is focused on organic exploration and potential oxide monetization rather than corporate M&A.; No formal public takeover offer for the company has been announced. As a pure-play Zambian copper explorer with a large expanding system adjacent to major producers (Kansanshi, Lumwana), it remains a potential strategic interest for mid-tier or senior copper companies seeking African Copperbelt exposure, while management continues to advance Dumbwa and evaluate Kazhiba independently.

## 7. Risks

- Exploration risk – no guarantee of an economic resource or mine.
- Copper price volatility.
- Need for future resource estimates, metallurgical work and economic studies at Dumbwa.
- Jurisdictional and permitting risk in Zambia.
- Dilution risk if continued drilling and technical work require additional equity capital.
- Liquidity and capital-markets access typical of junior explorers.
- Timelines from discovery to resource definition and potential production are multi-year.

## 8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other junior copper exploration companies, Midnight Sun Mining is ranked **6**. The ranking reflects elevated risk inherent to pure exploration: no production or operating cash flow, dependence on continued drill success and future resource definition, and a market capitalization that remains modest relative to the scale of the opportunity. Positive factors include the rapidly expanding 6.7 km near-surface copper system at Dumbwa, a defined oxide resource at Kazhiba, a premier Copperbelt location, and an active multi-rig program. Offsetting factors are the binary nature of exploration outcomes and the multi-year path to any potential production. Relative to producing copper companies, MDNGF ranks substantially higher risk. The net result is a risk ranking of 6.

*Sources: Company June 29 and August 6 2026 news releases, Kazhiba Main MRE (January 2026), corporate website, and market data as of mid-August 2026.*